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CYPRUS

DISY's Kliridis Seen Unable To Win Elections 35210048 Athens TO VIMA in Greek 20 Dec 87 p 7

[Article by Giannis Kartalis]

[Text] The morass into which the Cyprus issue has recently fallen is in complete contrast to the increasing presidential fever prevalent in Nicosia in view of the presidential elections next February. Indeed, it is possible that President Kyprianou's health might lead to a complete upset in the political scene.

It is well known that political confrontations in Cyprus, following Makarios' death, had often assumed acrimonious proportions resulting in damage to the national issue itself. The truth is that this year the situation has not yet reached this point perhaps because there is enough time between now and 14 February when the first round of the presidential elections take place.

Nevertheless, this year's pre-electoral period seems to be marked by questions that President Kyprianou's health creates. A few weeks ago, the president suffered a heart attack and last week he went to London to undergo heart surgery. According to an official statement, Mr Kyprianou is scheduled to return to Cyprus at Christmas.

Mr Kyprianou himself seems determined to continue his pre-electoral campaign but, according to certain information, his family is pressuring him to withdraw.

Nevertheless, regardless of what Mr Kyprianou finally does, it is certain that his health—even in case he participates normally in the electoral campaign—will have a negative effect on a certain percentage of voters.

The question is what if this percentage will be so great as to prevent Mr Kyprianou's appearing in the second round of the elections. Presidential elections in Cyprus take place in two rounds, unless, of course, one of the candidates obtains 50 or more percent of the votes in the first round. The two candidates who obtain the greatest percentages take part in the second round.

On the basis of the results of the 1985 parliamentary elections, that depict the strength of the political parties in Nicosia, certain to be a candidate in the second round will be Mr Gl. Kliridis, leader of the Democratic Rally, whose party came in first in the parliamentary elections with 33.56 percent of the votes.

Therefore, the fight is on for the third candidate. The fight will be between Mr Kyprianou, whose party (Democratic Party) received 27.65 percent of the votes in the last parliamentary elections, obtaining second place, and Mr Vasileiou who represents himself as an independent but is actually supported by AKEL that received 27.43 percent of the votes in the parliamentary elections, thus

getting third place. The fourth candidate is Mr Lyssaridis, EDEK president, who, however, does not have a chance in taking part in a second round, given the fact that his party represents only 11.07 percent of the votes.

In Nicosia there is general belief that this time it is very difficult to foresee who will be the second candidate in the second round. Certain people believe that it will be difficult for Mr Vasileiou to come out, given the fact that AKEL is on a downward trend. It suffices to remember that AKEL, that had come out the number one party in the 1981 parliamentary elections, came out third in 1985. This was exactly the reason why Mr Vasileiou was nominated as candidate. He is an independent and does not belong to AKEL. In fact, he is even supported by the party of former Minister of Foreign Affairs N. Rolandis. The fact, however, that Mr Vasileiou does not belong to AKEL may lead quite a few fanatic voters not to vote for him.

On the other hand, Mr Kyprianou does not generate such feelings. Indeed, certain people feel that he has been politically damaged, given the fact that this is the third time he is appearing as a presidential candidate.

Mr Kyprianou is also facing an added problem. He is on the front line of attacks by all opposition parties that, even though they may have significant ideological differences, unite around one common goal: to get Mr Kyprianou out of the presidency.

This strong confrontation is also raising questions about what party will support Mr Kyprianou in a second round in case Mr Kyprianou were to be a candidate. In the past Mr Kyprianou was supported by AKEL and Mr Lyssaridis.

Will this happen in the February elections? Many believe that in this case Mr Kyprianou is in a better position than his opponents since his centrist position permits his being voted for by members of those parties that will not participate in the second round with their own candidates.

So, in case of a second round with Kliridis and Kyprianou as candidates, it must be considered as certain that Mr Kyprianou will easily prevail. For that reason, his main effort will be to succeed in getting to participate in this second round. In case the two candidates are Kliridis and Vasileiou, then it will be Mr Vasileiou who will garner the greatest possibilities of success because Mr Kyprianou's voters in the first round will certainly not want to strengthen their traditional opponent, namely Mr Kliridis.

Therefore, the only thing certain in this atmosphere of general uncertainty is that Mr Kliridis, even if he should come in first in the first round, has very little chance of prevailing in the second round.

Consequently, it is certain that Mr Kliridis will not be the next president of the republic of Cyprus.

Precisely because he wanted to play this supra-party role, Mr Kliridis recently stated that if he were to be elected president of the republic he would at once form a government of national unity made up of all the parties, in accordance with their electoral percentages, and that he would propose an enlargement of the role of the House of Representatives that would be able to effectively control decisions of the president of the government. He also said that he would put to a referendum every solution to the Cyprus issue.

Will Mr Kliridis manage in this way to convince voters of other parties to support him in a second round? At any rate, that is his goal. In the meantime, however, all in Nicosia are awaiting Mr Kyprianou's return from London. The condition of his health will constitute, as it seems, a determining factor for further developments on the domestic front since no development on the foreign front can be expected before the holding of elections.

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DENMARK

Conservative Party Council Moves Toward Middle of Road

Follows String of Disappointments
36130025 Copenhagen **BERLINGSKE TIDENDE**
in Danish 6 Nov 87 p 6

[Article by Johnny Hundt, Susanne Hegelund and Thorkild Dahl; first three paragraphs are **BERLINGSKE TIDENDE** introduction]

[Text] Cracks have appeared in the Conservative enamel. Young people want to be heard and seen, new styles are emerging and at the same time the party is licking its wounds from the setback in the Folketing election. The national council will discuss whether the middle-course policy is correct or if it should be seasoned with a more conservative line.

The Conservative Party is afraid that the election defeat in September is similar to the situation in the early 1970's. At that time the party council decided to move to the right, which led to the catastrophic election in 1975. Top advisers and the chairman of the party, Prime Minister Poul Schluter, are now warning the national council not to repeat that mistake.

The situation leading up to the Conservative national council meeting this weekend in the sports hall in Vejle is described here by Johnny Hundt, Susanne Hegelund and Thorkild Dahl.

Christiansborg Conservatives were shaking their heads on election night. The TV forecasts were pointing to losses where the opinion polls had indicated gains. The chairman of the Conservative Party, Prime Minister Poul Schluter, was late and after a very long trip from the prime minister's office to the Conservative election festivities, the obviously groggy party chairman had absolutely nothing to say to his party colleagues. Schluter left the funereal mood of his party comrades in Room 112 after a few minutes and returned to his ministry.

The Conservative Party did not achieve the expected gains in the strategically-timed Folketing election in September. Four seats were lost when the party should have made gains. After all it was thought that the gains would be so great that the Conservatives would come in direct competition with the Social Democrats as one of the nation's two big dominant parties.

The election results were a deep disappointment for both politicians and the organization. There are many more cracks in the enamel than have been apparent in recent years and before the party council meeting in Vejle this weekend the party's representatives in Christiansborg debated whether the middle-seeking line of the last few years has been correct.

The delegates to the Conservative Party's national council meeting are clearly to the right of the Folketing group and that is quite natural, in the view of Folketing members. The party's deputies will always be the ones who focus on party policy. On the other hand they are not aware of and perhaps have not had much opportunity to understand the conditions for Conservative policy during 5 years of compromises reached behind closed government doors.

But the party should continue to move toward the middle, according to the leadership. In a direct appeal to party deputies to remain on the right middle-seeking track, an article on the editorial page of the party newspaper **VOR TID** said that there are groups "who feel that the Conservative Party should move to the right. They are wrong."

"This is because decisions in Danish politics are made close to the middle of the political spectrum. The Social Democrats no longer have a monopoly on the political center," the article says.

Since election day voter analyses have been taken with a grain of salt by the Conservatives who have relied more on an internal Conservative analysis of election results instead. This showed that of the four seats the party lost, one went to the Progressive Party, one to the Center-Democrats [CD] and the other two to the Social Democrats. The Conservatives lost votes among women, young people and public employees in particular.

Conservative politicians are now looking back 12 years to the catastrophic election of 1975 and issuing warnings. At that time the party had moved to the right 2 years earlier, after the 1973 election, in an effort to win back voters who had turned their backs on the party. Instead even more voters were driven away and for the first time the Conservative leaders found themselves on the brink of the cutoff barrier.

Now they are warning each other not to repeat the mistakes of the past. At the same time everyone points out that even if the party declined in the September election it is still clearly the second largest party in Folketing with its 38 seats.

But the disciplinary calm in the Conservative Party has eroded. It is many years since the party council delegates met after having witnessed such widespread internal disputes.

In the election campaign general secretary Torben Rechendorff was in the media spotlight. First when he urged local party associations to keep a file of enemies and later when he walked into a trap and came close to advising how to channel nondeductible contributions to the Conservative campaign in such a way that they turned into tax deductions.

At the same time ambitious young Pernille Sams was busy collecting large funds for her political assault. She made her debut as a Folketing member with a white lie about a cheap campaign, but after a discussion with the upright Knud Ostergaard, she had to admit that the seat had cost 260,000 kroner. Other Conservatives were equally shaken by the new style that did not win votes but simply cost a Conservative veteran his seat.

The party leadership quickly analyzed the election results and an obviously shaken Grete Fenger Moller was fired as political spokesman while chairman Poul Schluter sat by. Kent Kirk, who had earlier been hauled over the coals by Knud Ostergaard for his critical views, was chosen in her place.

The shift came despite warnings from veteran party tactician Erik Ninn-Hansen and it showed once again that among his small circle of advisers Poul Schluter is now leaning toward Palle Simonsen, who as also the major adviser on changes in the government and on the middle-of-the-road policy that has been pursued.

The shift to Kent Kirk occurred at the same time as other outstanding young people were moved up to the front line. Among others, Connie Hedegaard and Per Stig Moller moved forward to profile the Conservative Party where the ministers are seen more as part of the non-socialist team in the four-party coalition government.

There is a new style after what has been virtually an external vow of silence for the regular members of the Folketing group on controversial issues. The big younger group in the Folketing delegation wants to be seen and heard and they have enlisted Poul Schluter on their side.

This was clearly shown at an evening group meeting where the party chairman said that in the years ahead the young people must become better known to the public and also pointed out that he himself was almost 60 years old. That was the remark that gave rise to the media speculation about a tired prime minister who wants to step down.

The prime minister will not do that until he can no longer hold onto government power and the new chairman of the Social Democratic Party, Svend Auken, takes over.

Nurturing Traditions

All the talk about moving toward the middle is unfounded. The Conservatives are just consistently following the changes that are taking place in society, according to a political science professor who says that things are much easier for Margaret Thatcher of Great Britain than they are for Poul Schluter.

Before the party council meeting many people are deplored the fact that the Conservatives have moved too far toward the middle.

That is not quite true if we are to believe Palle Svensson's evaluation. He is an associate professor in political science at Arhus University.

"The party has simply followed its traditional tendency to nurture known values. And it is precisely the values in Danish society that have changed," he says.

"The Conservatives do not make any changes from one day to the next. But once something has emerged in society, the Conservatives take it to their hearts as if it were their own. That can be seen plainly in their attitude toward the welfare state, which they criticized a great deal 20 years ago. In line with social developments the preservation of the welfare state has become an essential element for the party and that might look like a shift to the middle."

Palle Svensson does not think the Conservatives need to worry about the loss of four seats in the last election. "At any rate it is no reason to change the party's profile. In the long run they have regained the position they had before 1973 and the outcome of the last election is purely a market fluctuation," Svensson reassured the Conservatives who are now talking about taking a more definite course toward the right. On the other hand party members should not start currying labor votes. "They can never base their policy on the workers."

The party's problem just now is to get the parliamentary base for the budget bill lined up. "In the long run the problem is the Conservatives' fundamental place in society," according to Svensson. "And the two things can very easily pull in opposite directions."

Palle Svensson has no doubt that it is hard to be chairman of the Conservative Party and prime minister at this time. "Poul Schluter is having a hard time of it, both with the national economy and with the others in the coalition government. There is no doubt that things are easier for a Margaret Thatcher than they are for Poul Schluter."

Youth Group Wants Sharper Profile

The Conservative Party must come out in the open and show the voters clear Conservative positions, in the view of Morten Holm, chairman of Conservative Youth [KU].

"We should not move in the direction of middle-spectrum voters. On the contrary, we should get them to move toward the Conservative Party by coming out in the open and displaying Conservative attitudes."

That is the message the chairman of Conservative Youth, Morten Holm, wanted to give the Conservative party council.

The 24-year-old KU chairman is convinced that the Conservative Party's future political course will be "topic number one" at the national meeting.

Morten Holm warned against a continuation of the middle-seeking line in the belief that it will enable the Conservatives to win votes from other parties.

"The worst conclusion the Conservative Party could draw from the election defeat is that the party should continue to pursue a compromise policy," said Morten Holm.

"Just look at the youth vote. We lost their support in this election because young people are searching for stands—otherwise it doesn't matter and they stay at home on election day.

"It is not healthy to choke off debate as the Conservative Folketing group has done. For that means that there are political topics one does not want to talk about in public, such as the refugee problem, defense and privatization of the public sector," Morten Holm pointed out.

Not Worn Out or Tired—Just Wiser

Tired?

"No, but 5 years wiser."

The words are Poul Schluter's and they were spoken late Thursday afternoon just after the prime minister put the final touches on his 32-page speech to the national council. The old gray-green Torpedo typewriter was pushed to one side. On the conference table the last cigarette was still smouldering in an ashtray that had almost disappeared in the pile of background articles and notes for the national council meeting that will be held in Vejle over the weekend.

It will be the first national council meeting since the party started making gains after the catastrophic 1975 election where Poul Schluter will not be able to mount the speaker's platform as the savior of the party. In the September election the party lost four seats and it is expected that several delegates will ask the party leadership to move toward the right.

Tired—Poul Schluter is not tired after 5 years in power, he told BERLINGSKE TIDENDE on this foggy late November afternoon.

"Maybe I should be. But I feel just as energetic as I did 5 years ago. It is true that it is a hard and nerve-racking job to be prime minister—it cannot be otherwise. But the job is also challenging."

[Question] If you are not tired, why did you appeal to the young forces in the Folketing group to take their turn?

[Answer] I have been in Danish politics for so many years now that it is possible that some voters think I am worn out. And that is why I urged the group's members to be as active as possible. That is quite natural. It is obvious that as I get older it will be important for more and more capable young politicians to make themselves known and not stay in the second and third rows.

[Question] You said the Conservatives should stay in the middle. That is not exactly young people's cup of tea, at least that is what the KU chairman indicated.

[Answer] Yes, but he does not understand the whole thing. One can't expect that. It will probably come. Just remember that young people are very concerned about basic ideas, we were too when I was young. But they don't have to do what I do—get results and reach a conclusion every time.

[Question] Why is it so important to stay in the middle?

[Answer] I am not very impressed with all this geographical talk. As a rule it is not very meaningful and indicative. In other words in a country where the Progressive Party wants to move backward and where the Radical Liberals are not radical, but moderate, and where the Liberal Party is not leftist at all, one does not get much guidance from geographical political placenames of this kind, does one?

Our voter support extends into the Social Democratic and the Progressive borderlands. That is the way it should be. And I think the voters also understand that, for that is a reason for casting one's vote for a party that can achieve decisive influence.

But everything has its price. The price is that if one votes for such a party, one must not expect to be entirely satisfied with everything every single day. That is easier to achieve if one belongs to a small exclusive club where one can raise the flag every Sunday and be glad that one has gone through another week without making any mistakes.

[Question] How will you grow and how large will you get?

[Answer] I base my belief that we will keep growing on the fact that the ideas of the Social Democrats and the Socialist People's Party [SF] are so backward, they are based on a rigid adherence to the concept of class struggle. In spite of the fact that by far the majority of the population regards the class struggle in the oldfashioned sense as being something that was over and done with long ago. I think we are going into a period where people will have an increasing need to obtain individual scope.

[Question] Then you think that SDP and SF voters will eventually move over to your party?

[Answer] Yes, I do.

[Question] How big can the party become?

[Answer] Everything has a limit. No tree grows as high as the sky. But I see no reason at all why the gains we have had from 1975, when we won 10 seats, to 8 September of this year, when we won 38, will not continue.

[Question] The Social Democrats and SF are operating on the crown prince principle. What about you?

[Answer] Yes, when the time is ripe. I have seen other parties select a successor at such an early date that they were worn out before the time came and I don't think we should make that mistake.

Schluter, Political Spokesman Duel
36130025 Copenhagen *BERLINGSKE TIDENDE*
in Danish 9 Nov 87 p 4

[Article by Susanne Hegelund, Thorkild Dahl, and Johnny Hundt]

[Text]

Schluter Reprimands Kent Kirk

"Kent Kirk must have been in a kind mood when he called the Progressive Party a middle party." So said Poul Schluter after a successfully completed party council meeting which backed the prime minister's course.

"The Progressive Party can definitely not be regarded as a middle party," Prime Minister Poul Schluter stated.

That was the assessment given on Saturday by Kent Kirk, the political spokesman for the party's Folketing group, "but Kirk certainly must have been in a kind mood," said Poul Schluter.

"The Progressive Party is still a fringe party, just like SF and Common Course."

Poul Schluter's words came after a successfully completed party council meeting where there was clear support for the party chairman.

The fact that 40 percent of the delegates supported a KU proposal calling for less public spending and more privatization did not make Schluter nervous. "That just means that the 40 percent felt there was something sensible in the proposal. I myself think the proposal is too superficial," said Poul Schluter.

In his reply after the debate the party chairman noted once again that it is quite impossible to pursue constructive policy on the basis of KU's hard line.

"We must stand our ground but we should not be obstinate," the prime minister stressed.

He also stated that the EC countries must reach agreement on the budget. "Two days after we meet in Copenhagen, Reagan and Gorbachev will meet in Washington. They are finally ready to make important decisions and it would be scandalous if we in Europe cannot agree."

Openness about party accounts was not discussed at the meeting but Poul Schluter said that "he has grave doubts about a regulation that reveals the names and addresses of donors," although he felt the matter should be studied thoroughly.

Peaceful Middle-Seeking Council Meeting

Criticism of government policy was minimal at the meeting of the Conservative Party council in Vejle. On the other hand there was criticism of lazy local Conservatives from group chairman Knud Ostergaard.

There was complete silence for 1 minutes in the room in the Vejle sports hall when 3,000 delegates and guests paid a final tribute to slain policeman Steen Kleist Carlsen.

This occurred at the suggestion of Mogens Andreasen of Solrod. He was one of almost 80 speakers who took part in yesterday's debate on the last day of the Conservative Party council meeting in Vejle.

"We should not ignore the fact that a large part of the population does not realize that refugees receive 200,000 kroner a year plus free education while people receiving early retirement benefits get only 110,000," Mogens Andreasen said in his speech.

This was a somewhat sharper line than most of the participants in the debate took. The speeches ranged from support for the national church to limits on deductions for union dues, while the question and answer period included things like a demand for better conditions for animals.

On the other hand the demand to move toward the right did not dominate the debate, as some people had anticipated before the meeting.

Instead Prime Minister Poul Schluter was able to leave the council meeting with a conviction that the party deputies had endorsed his middle course.

A KU proposal calling for more privatization and less public spending did win the approval of 387 of the delegates. However a majority of 497 prevented the proposal from being adopted on a written ballot.

A blow in the other direction, from Christiansborg to the local level about being too lazy, came from group chairman Knud Ostergaard, who talked about a local meeting he had attended with Carsten Andersen of SF and deputies of the Joint Council of Civil Servants' and Salaried Employees' Organizations [FTF] in Ringkobing County.

"There were around 100 people there. Some 95 were SF members and perhaps a few Social Democrats and then there were three nurses and two savings bank people who spoke in soft and nervous tones. Where were the nonsocialists? Where were our people? I'll tell you. They were in their gardens or their summer houses or on camping trips or in front of their TV sets."

Knud Ostergaard was optimistic after the national council meeting.

"Now the mood must be translated into practical results. First of all in the next election we must win back the 87,000 votes we lost. Second, we must also win the five seats that we did not win on 8 September. So let us formulate the goal this way: Success: 300,000 Conservative votes = nine seats."

Political spokesman Kent Kirk dismissed the mild protests about the party's middle line. "Our policy has definitely been characterized by basic Conservative positions. And that will continue to be the case in the future," Kirk said.

"We must learn that public spending costs money. We cannot get tax relief unless we restrain public spending. We must get away from the strategy of envy that lay behind the policies of former Social Democratic governments. 'If everyone can't get something, then no one should get anything.'"

Finance Minister Palle Simonsen said there must be limits when it comes to the hypocrisy surrounding cuts in the public sector.

"If there are waiting lists at hospitals, if an elementary school or high school has to be closed, if one cannot get one's child into a daycare institution, do Conservative voters help to explain why? It has been my experience that Conservatives are more apt to take part in the criticism. That is why I say this: There are limits to hypocrisy too. Let us stop discussing whether this entire vast public sector is identical with a bunch of superfluous bureaucrats."

06578

Bjerregaard Attack, Budget Compromise Add to Problems for SDP

Bjerregaard Stirs Party Feud
36130034 Copenhagen BERLINGSKE TIDENDE
in Danish 5 Dec 87 p 4

[Article by Carl Otto Brix: "Irritation and Resentment in Social Democratic Party"]

[Text] The calm that was about to become established in Denmark's largest party after the election and change in leadership has been thrown head over heels.

The debate concerning Ritt Bjerregaard's book "I opposition" [In Opposition] is just the culmination of a number of clashes that have taken place in the Social Democratic Folkeeting [Parliament] group concerning the chairman's attitudes and tendencies.

The group members tell BERLINGSKE TIDENDE that they are happy that the previous exchanges of views were kept inside the group room's four walls.

The previous times the criticism was directed, among other things, against the group chairman's procedure; in putting together the group's executive committee and in appointing the most important committee posts, for example. She was accused of gathering around her people who share her opinions and of not utilizing the capacity the group has.

Peace Necessary

The feelings of the group members BERLINGSKE TIDENDE talked with can be expressed in one word: irritation.

The unrest in connection with the election and Anker Jorgensen's departure was about to ebb away. Svend Auken managed well the first three months, the same sources think, and the representatives were about to hold their heads high again. The Social Democratic Party needs this if it is to cope with a general election without again losing votes to the SF [Socialist People's Party].

SF Folketing members are reported to say: "How bleak it is for the Social Democratic Party," after which they smile widely.

Group members deny a rumor that circles in the party wanted to try to persuade Svend Auken to take over the group chairman's post. The distribution of power was agreed on between Auken and Bjerregaard before Anker Jorgensen withdrew, but several group members protested then, because they foresaw the situation that has arisen now, with confusion about who is leading the party and fear for the Social Democratic Party's internal solidarity.

Unsympathetic Toward Ritt

Several of Ritt Bjerregaard's party colleagues have asked her why she is bringing to the surface just now the old dispute concerning the choice for the vice-chairman, but her answer is so ambiguous that it is interpreted as though she deliberately wanted to irritate Svend Auken with the old issue.

Sharp Demands

Besides, group members do everything today to divert attention from the notorious issue. They would rather discuss the party's possibilities of gaining influence on the budget, and it is said from group meetings that especially the newly elected members are placing sharp demands on the Social Democratic Party's mark on the budget.

Socialist People's Party Angered
36130034 Copenhagen BERLINGSKE TIDENDE
in Danish 12 Dec 87 pp 1, 12

[Article by Carl Otto Brix: "Social Democratic and Socialist People's Parties on Collision Course"]

[Text] The Socialist People's Party is afraid that the agreements between the Social Democratic Party and the government will lead to more cooperation.

The coalition between the Social Democratic Party and the Socialist People's Party is at the breaking point.

This is due to the fact that the Social Democratic Party not only has entered into a budget agreement with the government, but also said yes to a change in employers' contributions, an export package and a reform for the wage earner funds' investment opportunities.

SF [Socialist People's Party] Chairman Gert Petersen: "I am afraid that the Social Democratic Party has become so entangled with the non-socialists that it can become very difficult to avoid a collapse for the S-SF [Social Democratic Party-Socialist People's Party] idea. This would be a catastrophe."

Gert Petersen says that he would be able to understand it if the Social Democratic Party had just voted for the budget. This could be explained by election fear. But the criticism sets in when the party went beyond this.

"Social Democratic Chairman Svend Auken explained to me that the party did not commit itself, but Prime Minister Poul Schluter (Conservative Party) voiced the opposite. The coming months will show whether the Social Democratic Party has now made such close contact with the government that the coalition with us has been made impossible."

"If this happens, the clock will be put back two years, and we will have to again go out and tell the Social Democratic Party's members and voters that the labor majority has been betrayed. Then we will snatch still more of their votes," the SF's chairman says.

Ex-Taxation-Minister Mogens Lykketoft (Social Democratic Party) today also touched on relations between the S and SF. He characterizes the "Christmas package" as a decisive turning point for the Social Democratic Party: "We Social Democrats have come in from the sidelines to the middle of the field in Danish politics, and we have come from the defensive to the offensive both in relation to the non-socialist parties and the SF."

The Social Democratic Party Danced Closely With the Non-Socialists

The SF wants to have proof that the Social Democratic Party's budget agreement was a one-shot affair. If there is a question of more permanent collaboration the SF will go out and get Social Democratic votes.

The coalition between the Social Democratic Party and Socialist People's party has been shaken by the budget agreement and the legislation that was in the same pool. The Social Democratic Party's actions in the coming months will be decisive for whether the SF will have to completely write off the plan of creating a labor majority between the two parties.

[Question] What will happen then?

[Answer from Gert Petersen] "Then we will have to cut away at the Social Democratic Party and take more votes from them. But I first want to have the matter completely clarified. It is surely not in the SF's interest to boot the Social Democratic Party right into Schluter's arms. It is in our interest to keep them in an S-SF perspective. If this is not possible, we will have to bring the heavy artillery into action. Then we will have to appeal to their voters and their members and make them aware that it is a question of a swindle of the labor majority."

[Question] Do not the negotiations between the government and Social Democratic Party regarding a new defense compromise point in the same direction as the budget agreement?

[Answer] "We have known all the time that these negotiations were under way, but the new thing is that they have not led to a result here in connection with the budget. To the government's grief, it is pointing toward a zero solution. But I do not think that the Liberal Party will budge an inch in its demand for more money for the military, so this compromise may not be for a long time yet."

[Question] You are talking about a new general election here three months after the last one?

[Answer] "The opposition has an obligation to seek to come to power, and in this case it can do this only by appealing to the voters."

"Five percent of the votes were wasted in the election because they voted for parties that were not represented, and thereby it became a somewhat special election. I think that those voters who did not achieve representation would use the opportunity today to vote differently and give their votes to the S or SF in order to get the government replaced."

Downturn Announced

"I think the situation now is very special. A steep downturn is being announced from many quarters, and a labor government's policy could counter this."

[Question] Can the government count now on being in power for a long time?

[Answer] "I think that the government would have had to resign next summer if this had been isolated to the Social Democratic Party's just having voted for the budget in return for getting the 10-percent increase in sickness benefits and pensions."

"Now they have entered into a number of other areas. Therefore, I think that the Social Democratic Party safeguarded the government for another year, and it is

primarily here that our criticism comes in. It is reprehensible. Especially, too, when nothing phenomenal has come out of it. What has been achieved is not very good."

[Question] Can you imagine the agreement between the two parties continuing and resulting in an agreement on the budget for 1989?

[Answer] "I can well imagine that, but I hope it will not be the case, and the SF will do whatever is possible to prevent it."

"If it appears that there is more in the agreement than the issues we have heard about up to now, then there is no other path left than that we will again have to go out and snatch the Social Democratic Party's voters," SF Chairman Gert Petersen says.

"I prefer to believe that it was the fear of an election that guided the Social Democratic Party's steps, and we could accept this then."

"But too much has been included; the changing of the employers' contribution, the export package and the wage earner funds, for example."

"Svend Auken has assured me that the agreement has nothing binding in it, while Prime Minister Poul Schluter (Conservative Party) has stated that nothing can be changed without the consent of all sides. Now we have to have a clarification of who is right."

"It will show itself in the coming months, when, for example, we will debate bills concerning increased fellow-worker influence and paid time-off for education. If the Social Democratic Party goes together with the non-socialists here too, the situation will be critical."

8831

FINLAND

Conservatives in Power Find Tax Reform Goal Elusive

36500033 Stockholm DAGENS NYHETER in Swedish
6 Nov 87 p 10

[Article by Stefan Lundberg; first paragraph is DAGENS NYHETER introduction]

[Text] Helsinki—The enthusiasm within Finland's coalition government has faded. Tax reform is the big obstacle. The Conservatives are finding out that their old demands as an opposition party are not so easy to carry out in practice.

The air was thick, and faces were beginning to turn a befuddled red. Discussion had died away, and the beer was going down in deep, pensive swigs. People were not in the best of spirits in the working class restaurant at Social Democratic headquarters in Hagnas.

The voting results at the Metalworkers Building diagonally across the square were growing increasingly clear. The Social Democratic majority in the Metalworkers Union had shrunk drastically, while the Communists had charged ahead in that important big union within the Finnish Federation of Trade Unions (SAJ). The SSDP [Finnish Social Democratic Party] was losing 22 seats in the 458-member SAJ congress, while the Communists were picking up 16.

The scapegoat had already been chosen over the tankards of beer: it was the remarkable marriage between the SSDP and the Conservative Party in the 6-month-old government.

The election in the Metalworkers Union is only one serious symptom of the hangover being felt by the foot soldiers following the Left-Right honeymoon of last spring and summer. The parliamentary elections in March gave the nonsocialists a big victory, while the Social Democrats suffered a crushing defeat, losing more than 100,000 voters. With the president as the chief architect, attempts to form an entirely nonsocialist government were frustrated, and the coalition between the SSDP and the Conservative Party became a fact, with the little Swedish People's Party and the Finnish Rural Party being added to fill it out.

Expectations within the Conservative Party were great, this being the first time in two decades that the Right had had a chance in the government.

The enthusiasm has, to put it mildly, faded as the months have passed.

Quite simply, the government's biggest obstacle has been the major tax reform. A committee submitted its first detailed proposal for complete reform some time ago. The reform is expected to widen the tax base by about 60 billion kronor. That is nearly half of the Finnish national budget.

The main features of the reform are that wage earners will lose all their tax deductions in return for lower tax rates. Fringe benefits—automobile, housing, and so on—will be heavily taxed. It will be made more difficult for firms to avoid paying taxes. Conservative Party Prime Minister Harri Holkeri will not put up with "freeloaders" who do not pay their share of government expenditures.

Fixed-term bank deposits and previously tax-exempt government bonds will be taxed. Family allowances may also be subject to tax.

Many of the Conservative Party's loyal supporters can scarcely believe their ears. In their view, that which was sacrosanct when the party was in the opposition has now suddenly become an obvious quarry.

Even when the national budget for 1988 was being drawn up, the party was forced to admit that its old demands as an opposition party were not so easy to carry out now that it was in the government. Throughout the years, the Right has firmly demanded that tax rates be adjusted to reflect the expected rate of inflation. That was not done this year. The rates are being adjusted by 2 percent, whereas inflation is expected to total 3 percent.

The reaction was not long in coming. The Conservative Party has lost ground in all the public opinion polls.

Minister of Trade and Industry Ilkka Suominen consoles himself by saying: "We cannot deny it, but the drop is within the margin of error."

But the party is also struggling with another, more difficult problem: credibility. Opposition leader Paavo Vayrynen, all political observers, and, worse still, public opinion are saying more and more frequently that the Conservative Party is yielding to the SSDP in the government. And on many issues, the Left has unquestionably taken the initiative. The SSDP minister of labor, Matti Puhakka, for example, is in supreme command of the government's second big issue: the reform of working life.

A recent public opinion poll shows that 26 percent of the party's own supporters feel that the SSDP dominates the government, while only 19 percent feel that the Conservative Party does.

One-fifth of the Social Democrats feel that the Conservative Party is the strongest party in the government.

Those figures may reflect disappointment on the part of the Conservative Party's rightwing and the SSDP's left-wing.

Ilkka Suominen claims that he is not the least concerned over the image that has been created.

"Okay, our own people are a little skeptical, but people in general seem to feel that it's 50-50."

Prime Minister and presidential candidate Harri Holkeri is also anxious to keep the government together at almost any price. Holkeri's problem is, however, that voter support in the runup to the presidential election refuses to climb above 12 or 13 percent despite his excellent position.

Both parties have their sights set on the wage earners. They are evidently prepared to lose some of their traditional supporters but hope instead to pick up new ones, possibly from each other.

But observers see a danger that they will lose to the Center Party and the Communists respectively.

The municipal elections a year from now will provide the first real test of how support is developing. The Social Democrats have already made it known that they will not cooperate in the government if doing so threatens the party's support. Party secretary Ulpu Iivari says she does not see the traditional cooperation between the Left and the Center Party being ruled out in the future if there are problems with the Conservative Party. Ilkka Suominen answers in kind, saying that a nonsocialist government is a completely feasible alternative.

The newlyweds are still putting up a good front. But over the tankards of beer and glasses of cognac, men are talking things over in a pensive mood.

11798

GREECE

EAR Party Details Relations, Differences With Other Parties

35210044b Athens *I KATHIMERINI* in Greek
15 Dec 87 p 2

[Text]

Disagreement Over Relations With PASOK

The Central Committee of EAR [Greek Left] during its three-day meeting in Thessaloniki specified the points that make the "Greek Left" different from the other political parties; it focused on European Integration and the current political developments.

Disagreements were confined mainly to the relations with PASOK [Panhellenic Socialist Movement]; some of the cadre members which were the minority did not want such relations to be tense aiming at the absorption by the "Greek Left" of not only followers but also of cadre members of the governing party.

The majority of the Central Committee members did not preclude the possibility of such absorption of followers; it insisted, however, that a distance must be kept on questions of principle, so much more since the Executive Office is being identified now with the government on all issues.

With KKE

EAR sees its relations with KKE [Greek Communist Party] as being shaped with "point of reference" being the issue of European Integration. The Central Committee pointed out during the meeting that "some kind of overtures on the part of KKE appear to indicate that KKE again follows its more outdated policy on the subject of European Integration."

Concerning ND [New Democracy] it was stressed that "its philosophy of unadulterated liberalism clashes with the idea of the cohesion of Europe. As for PASOK, it was stressed that with the policy it is following even now, it is again leading to the logic of sloganisms and not the correct, timely and integrated proposal in view of the challenge of 1992.

The congress of the Central Committee of EAR was substantive in its procedures and could be described as a seminar for 1992. During the meeting it was also stressed that for the "Greek Left" the correlation of powers and the alliances that result at the European level do not necessarily reflect the division between "right and left" while it was stressed that it is necessary to broaden the jurisdictions of the European Parliament and the committee, and that the Council should be deciding by majority rule.

8193/08309

PORTUGAL

Comments on Cavaco Silva's Stance, Possible PSD-CDS Alliance

35420028b Lisbon *SEMANARIO* in Portuguese
21 Nov 87 p 6

[Article by Jose Miguel Judice]

[Text] There are politicians who are especially adapt at forecasting political events and there are others whose most prominent quality is the ability to act swiftly should events start to become unfavorable to them. In essence, politics is the ability to foresee early and to act at an opportune and exact moment. Therefore, the union of both qualities is the model of the perfect politician.

In my opinion, Cavaco Silva is a politician of the second mold, someone with good timing, while Sa Carneiro had foresight primarily. Cavaco Silva's successes are mostly due to the speed with which he intervenes, with the timing of his attack, with the ability to remain still while waiting for the right moment. His mistakes result mostly from not always correctly anticipating the evolution of events and from postponing his intervention because the delay in foreseeing the change causes him not to have everything ready to act.

The way in which Cavaco Silva managed this past week is the ultimate example of his style. With unusual speed, typical of a predator, he "jumped" on matters on all fronts and in a few days concentrated a group of initiatives and actions that clearly appear as a response to wide ranging criticism from quarters that may be considered more to his "right." These are the education measures, the finance minister's meeting with the CIP [Confederation of Portuguese Industry] and with firms listed on the stock exchange, which, as a matter of fact, was a good performance, according to unsuspecting

opinion, the announcement on the speeding up of the structural reforms, the budget disclosure and the general privatization guidelines and the sale of the state-owned newspapers.

This could not have been more opportune for, first among other reasons, this week also marks the real return of Freitas do Amaral into politics. At a lunch at the Press Club, the future CDS leader made the first in depth criticism of the government and, implicitly, of Cavaco Silva by especially insisting on the circumstances of the apparent paralysis, the privatization strategy and the lack of reforms.

Politics has its own logic and it is clear that some rivalry and conflict between Freitas do Amaral and Cavaco Silva will exist in the near future. This, even though it is believed they will only benefit if they come to terms some day. Within these circumstances, it can even be said that the major area of potential conflict and of erosion of the government's capacity for political action will not come from the dispersed socialist opposition nor from communist opposition which is still astonished at the results of 19 July. It will surely come from the CDS and especially from the voters who voted for the PSD because of Cavaco Silva but under other circumstances they would perhaps not have done so.

In my opinion, it is very healthy that this happened, even if viewed from the point of view of the government's interests.

I am an old and, therefore, hardened defender of the advantages of forming and maintaining a majority social bloc led by the PSD. I have always defended the benefits of a strategy that would lead to an attempt at forming such leadership through the majority support of a homogeneous government. In no way does this mean that I feel it is useful to the nation and to that social bloc to have a desert surrounding the PSD's hegemony. On the contrary, the fact that the PSD has a majority in the Assembly of the Republic makes it that much more necessary to have lively, active and even critical "realities" around and beside it.

In addition, the defense of the single party government does not lead me to conclude that there cannot be other forms of political organization for the social bloc and particularly in another set of circumstances an alliance, a coalition or even some other form of stable collaboration can be created between the PSD and the CDS. Furthermore, that is what in some (very limited) fashion is taking place with the prominent presence in the government of people who are publicly affiliated with or sympathetic to the CDS.

09935/06662

Ministers' Tasks Reviewed: Decisions Needed
35420028a *Lisbon EXPRESSO in Portuguese*
28 Nov 87 pp 34-35R

[Text] As the record emerges so to does the time for decisions. What we propose to do here is to make a ministry by ministry comparison of each minister's proven track record of the past 100 days with the difficulties facing each one in the future.

Miguel Cadilhe

Miguel Cadilhe started off on the right foot in this second Cavaco Silva government. First, because he obtained control of the public enterprises being re-privatized during an initial phase, he is in a position where he will be able to shine and secondly, because he came off particularly well during the debates on the government's program, where he gave us the quasi provocative tone he used to use in previous debates.

Meanwhile, his star was somewhat tarnished by the stock market crisis. Cadilhe lost control of the situation, the government contradicted itself, the measures arrived late and pleased no one. The Ministry of Finance leadership gave the impression of being adrift, of being led by the events.

That is to say, Miguel Cadilhe did not act more competently as he was being put to the test. Now, the minister will once again be put to the test in the near future.

The budget debate will take place shortly. Once again, the government's budget proposal points to the end of the fat cow period and shows concern about containing the economy's growth. It will not contain many popular measures. The VAT will become steeper and the professional and complementary taxes index will be brought up to date only up to the minimum forecasted rate of inflation.

In addition, the minister will be hard pressed to give in under penalty of losing control over inflation as he did over the stock market. Now, for someone who simultaneously heads the Social Harmonization Council, where the labor legislation package will have to be "digested," achievement of the established goals is fundamental to maintaining an income and prices policy.

Finally, Miguel Cadilhe's luck also depends on the evolution of the very susceptible stock market. The climate of confidence, regained with difficulty, was shaken by the recent crisis and the government's clumsy handling of it. A new shock could have much more troublesome consequences.

Roberto Carneiro

Although the Cavaco Silva governments have been essentially completely dominated by the prime minister, it is always important to have another star. In this government that star is Roberto Carneiro.

After the very successful presentation of his program, during which he even received applause from the opposition, he then passed the opening of school day exam with flying colors. Such success was not due to any special worthiness capable of completing behind schedule construction but to an openness to talk with the unions that disarmed the usual controversies and debates over numbers.

In turn, with the creation of a certain aura, he fell silent to apparently prepare for his great battles. He has already indicated what they are: the failure of education, the creation of the open university, resolution of staffing problems, and the publication of laws governing private universities. The application of the basic law emerges as the backdrop to this entire policy. This is, perhaps, the greatest and most complex challenge because it represents the second great reform of the educational system in Portugal to be realized almost 20 years after the "Veiga Simao reform."

Leonor Beleza

In the previous government, Leonor Beleza was the best known cabinet member second only to the prime minister. She was also the most controversial member of that government. Thus, the minister's relative quiet and meekness during these first months of the second Cavaco Silva government is amazing.

Leonor Beleza's well known determination, or stubbornness, which is capable of arousing passions and hatreds, does not permit us to think, however, that she has abandoned her plans. The hospital administration bill, which changes the process of nominating hospital administrators, should be returning to parliament shortly with exactly the same wording with which it was previously defeated. The same will occur with the bill on medical careers.

This time, however, the minister of health will not feel such a need to carry out an offensive and often provoking strategy. The government's own general style implies stress on calmer and open debates. Thus, perhaps the College of Physicians' silence is not so surprising since it results from a secret meeting between the group's leader, Machado Maceio and the minister. However, the current truce cannot last forever.

Eurico de Melo

A member of the government's political triangle and a close adviser to Cavaco Silva, Eurico de Melo replaced one of the former government's meekest ministers.

Therefore, it was not surprising that his different dynamism made the new minister of defense fall in the good graces of the military hierarchy.

In physical terms, the Defense Ministry practically does not exist. It consists of little more than the minister's office and the armed forces. However, this position is prone to less fortunate pronouncements. Included in this context are the statements on the stationing of American F16's in Portugal which, according to the minister, was merely a misunderstanding. These statements further showed lack of knowledge of the real problem.

Fernando Nogueira

Some weeks ago, when Cavaco Silva asked his ministers to speed up the production of legislation to feed to the Assembly of the Republic, Fernando Nogueira was the first to respond. As a result, his ministry gave Sao Bento the largest number of bills. These bills are generally ones that will have small effect on the public. Certainly much less impact than the recent riot in the Lisbon Penitentiary, which took place during the minister's visit.

Furthermore, it is difficult to see how a visit that seemed to have gone so well could have such a negative result. Although he is struggling with some delicate situations—the chaos in the courts, the revolt of the judiciary personnel, the inadequacy of some standards in the penal code—Fernando Nogueira is, perhaps, too young to have the upper hand with judges and lawyers but he has the necessary political muscle to pursue any reform.

Often accused by some sections of his own party of preferring conciliation without results to change, the justice minister will have a good opportunity to contradict his detractors during the coming months through the measures he takes.

Alvaro Barreto

The Ministry of Agriculture staff is untouchable and, perhaps for this very reason, the ministry is one of the most inflexible. Therefore, for a long time it has been thought that without revolutionizing it, it will not be possible to change agriculture so as to overcome our historical backwardness. Nevertheless, Alvaro Barreto seems to have given up on this task. Instead, he seems to have turned to foreign affairs where he is cultivating his claim to some fame as a good negotiator, especially within community forums.

It is not known whether the briefs he defends in Brussels have sufficient technical support, that is, if the services have known how to prepare them properly. In truth, the lack of true agriculture pressure groups, one of the most passive sectors of Portuguese society, will not permit possible assessment errors that are harmful to farmers from leading to agitation such as that witnessed in France or Spain. By delegating to his secretaries of state the day to day management and taking on a good part of

community affairs matters, Alvaro Barreto is also preparing himself for a test under fire, which, despite his extensive and varied ministerial experience, he has never taken before. It is probable that, in early 1988, he will be presenting a controversial legislative package on agriculture.

Mira Amaral

As soon as expectations are raised over a member of the government, his actions immediately become more susceptible to criticism. Well, that is what happened with Mira Amaral. After having created a "cozy position" at the Labor Ministry, it was expected that his move over to Industry would contrast with his predecessor's meek and sad term.

However, Mira Amaral did not have an easy start at the ministry. Surprisingly, we saw the profitable public enterprises being taken away from his to be re-privatized. Afterward, he had to grapple with the responsibility of the possible closure of the Portuguese Electric Oven Company [Companhia Portuguesa de Fornos Eletricos], a firm whose viability had been promised by PSD deputies during the election campaign in terms that were contradictory to the ministry's policies.

Meanwhile, since established better relations with the CIP [Portuguese Industry Confederation] than those he had while labor minister, he is one of those cabinet members who needs to define his own viability. For this, it is necessary that he know how to carry out the forthcoming tasks with some brilliance, especially the energy planning and reconversion, the industrial rehabilitation, and the definition of a new system of industrial stimulation. The management of some structural funds will fall under his jurisdiction but possibly his attention will be focused on the public enterprises. After having started an interesting course at SETENAVE, the industry minister cannot forget the hard nuts such as the National Petrochemical Company and the QUIMIGAL. These will be the next points on the agenda.

Joao de Deus Pinheiro

How does an education minister become a foreign affairs minister? Apparently, there is not much logic in this shift. As a result of it, there were those who saw in Cavaco Silva's choice a signal that the prime minister would be keeping foreign policy to himself.

Within this framework, Joao de Deus Pinheiro has been carrying out activities that are meek yet agitated. It is meek because especially during the prime minister's trips abroad, particularly the trips to Italy and Spain, he assumed a very discreet position (deliberately?) behind Cavaco Silva's activities. Agitated because, despite everything, some controversial briefs fell on his desk.

First, there was the Timor question and its discussion in the United Nations General Assembly, a proceeding in which Portugal acted far from straightforward. Sa Machado's candidacy for the position of director general of UNESCO was also somewhat unclear process during which Portuguese diplomacy was practically nonexistent. Finally, during the recent "fishing boat crisis" with Guinea-Bissau, Portugal's tough stance seemed somewhat empty. As a matter of fact, Joao de Deus Pinheiro was unable to avoid giving the sensation that everything ended up being resolved with a phone call to Mario Soares and that the normal diplomatic effort had been unfruitful.

Despite having called Durao Barroso to his team, a star from the previous government who is regarded as a "strategist," Joao de Deus Pinheiro has not yet been able to transmit the image of security, firmness, and coherence that was expected from his policies. Perhaps, he has chosen a more pragmatic style of acting.

The forthcoming Copenhagen summit may provide better indicators concerning the effectiveness of this style and, more importantly, on the capacity of Portuguese diplomatic channels to provide the technical information without which our position at the EEC negotiating table is, in essence, feeble and inconclusive. Now, this is so much more important when most of the briefs are highly technical and difficult to appraise.

Couto dos Santos

Couto dos Santos was the ace that Cavaco Silva held back up to the last hour. He was the secret the prime minister wanted to keep. Therefore, his promotion to minister was naturally surrounded by expectation. After all, this was one of the secretaries of state from the previous government who stood out because of his work, especially, by the number of new ideas he was able to realize.

Meanwhile, in the months prior to the elections Couto dos Santos had, if we may put it this way, used up all of his ammunition. Therefore, the previous superactivity had to contrast with the image of a lack of activity as a new minister. In the forthcoming months, the minister for youth affairs will have to overcome the hiatus. To this end, it will also be necessary that he come out happy from another much less peaceful battle than the youth policy: the media.

The newspapers will be first to be returned to the private sector according to the framework of a law approved last week by the cabinet. The pre-established term for selling the different newspapers will be one year. Next will be the radio brief, with television left for after the constitution is revised. Couto dos Santos' style favors discretion. As a result, the debate has not yet begun, although the law has already been introduced in parliament. Meanwhile, the sensitivity of many of the briefs will certainly bring the attention of the public on the new ministry

when the time comes to open the public bids. He will always be susceptible to raising an uproar if he sells a tobacco shop to the private sector; to sell a newspaper is to directly interfere in the "fourth estate."

Antonio Capucho

Theoretically, Antonio Capucho has one of the easiest jobs in the cabinet. He is the minister for parliamentary affairs. He holds all the trumps: a great deal of experience in the assembly, his party has a clear majority, and there is an almost unexplainable inertia among the opposition.

However, nothing is so simple. In reality, the government will not be able to go to the assembly alone to defend its bills and later just wait for a disciplined vote from the social democratic benches. On the contrary, it is necessary that they take part and here Antonio Capucho comes upon an important problem: a large majority of social democratic deputies are new, inexperienced, and did not even think they would make it to Sao Bento. It must certainly require some ability to provide the grey benches sufficient fuel to light its fires.

All in all, Capucho's role and ambition probably do not confine themselves to this parliamentary scene. His favored position halfway between the government and the assembly tend to make him Cavaco Silva's preferred adviser. However, can the minister for parliamentary affairs give form and strengthen this tendency and thus reinforce his own position?

Silva Peneda

To denounce corruption and announce firm and clean procedures for action always looks good. The discovery of numerous cases of fraud in the candidacy process for the European Social Fund were a unique opportunity for Silva Peneda and his secretary of state for employment, Bagao Felix, to shine. They may have even been too ostentatious in denouncing the situation, in a "show off" of questionable effect in Brussels.

Now, as for the labor laws, discretion would probably be preferred. By presenting a particularly harsh bill containing dismissal procedures that are "no longer used," Silva Peneda did not make it clear what his goal was and why he had drawn up a bill that is so different from that of the previous government.

Now that he has the fierce opposition of the labor federations in front of him, Silva Peneda may finally be thinking about negotiating, in backing down, and using the Social Harmonization Council to do this.

In any event, the upcoming debates on the labor bills will put the minister to the test and bring him to the grounds of political battle where one usually does not see him, despite the fact that he is a member of the national political committee of the social democrats.

Valente de Oliveira

After the frustrating experience of the great options of last year's plan, Valente de Oliveira seems to have opted this time for a style of intervention that is less ambitious but also much less controversial. Thus, for a member of the government to whom the first 18 months in office did not go according to the expectations that had been created, the passive reaction of the GOP's must have almost tasted like victory.

Although it continues to have strong state secretariats such as the secretariat for the environment, where Macario Correia is being a good successor to Carlos Pimenta, even though he does not have the public glitter of the latter, and the scientific research secretariat, where Arantes e Oliveira continues his steady and noteworthy work, the Ministry of Planning does not live up to its name. Valente de Oliveira has yet to find the right style to form a pole of attraction in economics and create an alternative point of view to that of Miguel Cadilhe.

Thus, he should consider himself lucky that the National Association of Municipalities is going through a time of internal tension, which is diminishing its ability to fight for more revenues for the local governments. As a result, it could even be that Valente de Oliveira is being saved by the powerful local government lobby.

Ferreira do Amaral

He contacted Spain before Cavaco Silva's visit there and he went to Italy shortly after the prime minister's trip to that country. However, few people noticed this. Joaquim Ferreira do Amaral, the minister for commerce and tourism, acted diligently in both cases. He tried to find solutions to the more serious causes of the trade deficit. His actions, though, were similar to the effort of trying to cover the sun with a screen. The increase in the trade deficit is, first of all, due to the overall economic policy and here Ferreira do Amaral has little influence.

On the other hand, he can cite the ever increasing tourism earnings which together with the emigrant remittances almost balance the [current] accounts balance. However, this does not mean that his activities in the latter sector are easy ones. Licinio Cunha, who previously dealt directly with Cavaco Silva, may have felt demoted and his opinions, especially in the sensitive question of the game, may not always be on the same frequency as the minister's.

Thus, it is also very important for Ferreira do Amaral to show that he is capable of being above the interests represented by his secretary of state.

Oliveira Martins

The Ministry of Public Works is an institution. Roads, railways, ports, and bridges provide a great deal of work for a traditional structure which is further restored to life

by the injection of community funds. By having money, especially for some large public works projects, Oliveira Martins will thus only have to meet deadlines.

However, there is another side to the coin. First, there was the controversial statement made by the minister on the cancellation of the bid for the port of Sines. Afterwards, there were some controversial choices made in telecommunications.

Since it is a state of the art field, it is fertile ground for the minister. However, it appears that telecommunications will continue to be managed in a bureaucratic manner and without any flash. On the other hand, however, the selections made to establish the mobile ground service, for example, may compromise future capacity.

Silveira Godinho

It is always thankless to inherit the position left open by Eurico de Melo, one of the people with the most political power in the previous government. However, Silveira Godinho has yet to do anything to allow him to come out of the shadows.

The domestic security law which was peacefully approved during Cavaco Silva's first term in office, is being carried out. The FP-25 have been practically dismantled and the battle against terrorism has been made relatively easier. The police academy has just started its first year. All in all, a life with few problems and few motives to jump to the front pages of the newspapers. But can a minister remain like this for 4 years?

09935/06662

PCP Seen Beset by 'Old Guard,' 'Renewalist' Tendencies
35420042 *Lisbon O DIABO in Portuguese*
29 Dec 87 pp 3, 6

[Text] The divergences among the communists are becoming wider and deeper, and it is acknowledged in PCP camps that more Central Committee members, those who belong to what is beginning to be called the "renewalist line," may be pushed out by the "old guard," despite the fact that the new ideas are advancing and winning more adherents. Specifically, we see that the "renewalists" who are emerging are already identified with certain areas of the apparatus, and that a sort of "centrism" is being defined that is tending to expand. Those who do not yet wish to commit themselves are waiting to see how things will shape up, so that they may opt for the winning side at the right moment. Carlos Brito and Angelo Veloso are prominent members of this group.

The "dinosaurs": Domingos Abrantes, Jorge Araujo, Carlos Costa, Joaquim Carreira, Dinis Miranda, the "old guard." Allied with them are the "patriarchs," such as Francisco Miguel or Sergio Vilarigues. Ancient flags held high during parades of retired officers and processions that evoke history, they have no specific influence today. They are the men of an erroneously termed "hard line." Their discourse is limited to "canned" phrases, characterized by the same vocal intonations, the same hissing of consonants. They are united by the experiences of the years spent underground, by endogamous marriages, by stories and memories of the past, by anecdotes, by nostalgia for the prisons and the places where they lived in exile. They are a clan.

The "dinosaurs" dominate the Central Committee. They have influence in the secretariat; they still pull the strings. But they are riding on the back of a body of staff members that is increasingly rebellious, because it has been infiltrated by new generations that have different mentalities, by the "new Christians" discovered since 25 April, who are little inclined to nostalgia. They drag along with them some of the labor unions, especially organizations of the calibre of the Uniao dos Sindicatos of Lisbon, and in particular the so-called "factory-worker unions": the metal workers and printshop workers. They are the champions of the blue-collar worker. The weapon they try to brandish against the "renewalists" is the recollection of other factional struggles of the 1940's, 1950's, and 1960's, from which they emerged victorious. They give their own rendition of those events—the official, stalinist version.

These are the men who were in the "deviations" and in the "fight against the deviations"; who were involved in the "rectifications"; who expelled people (and did even more than that); they were the "survivors" of the "anti-fascist" struggle. Companions of the dead, they take refuge in their shadows and conjure up the ghosts. And they have enormous difficulty in understanding the new winds blowing from the East—things like "glasnost" and "perestroika." These are the ones people refer to when they say "you can't teach an old dog new tricks."

"Renewalists": Selling Their Rings to Save Their Fingers

Who are these "renewalists"? Basically, they are in their late 30's or early 40's. They are familiar with the struggles of the early 1970's, they have come face to face with "leftism," they are further removed from stalinist orthodoxy (in its zhanovian and dimitrovian formula). They cannot display the effects of long years in prison, but they can boast of other, more recent "acts of heroism" which Cunhalist discourse has placed on the imaginary axis of the political parabolas—they are associated with the "conquest of April": the Goncalves agrarian reform, the expropriating nationalizations, the Constitutional Convention. They are today's most pro-Moscow advocates, even though (unlike the old communists), few of them have attended courses in Moscow.

Horacio Rufino, one of those who was pushed aside, was one of them. Zita Seabra, Ruben Tristao de Carvalho, and Jose Casanova are the newest. They have bitter memories of the past: Casanova, two brothers banished for "treason"; Ruben remembering the time when, as a student leader, the Organizacao Regional of Lisbon suspected him of being a PIDE spy (another painful experience, not part of the official story that is told to new generations of communists.)

But "old men" turn up to lend support—old men who, as "myths" also keenly suffered discrimination and snubs, who bring from the past some things they had repressed. "Old men" who were just as "heroic" as the "dinosaurs" but weren't given the honors subsequently conferred on the "excellencies." Antonio Dias Lourenco is an example of these.

Today they tread the corridors of the Avante publishing house. They are in "publications." They are found in the personnel apparatus (where the purges could turn out to be more thorough). They have put down roots in the Communist Youth. They find a sympathetic reception among others who have been excluded (Vital Moreira). Good allies in the labor union movement, where they recently scored a few points (Jose Luis Judas). But they are a minority at the center of decision-making authority.

They question the tactics: The PC is at ebb tide, it must adopt a defensive posture. That includes a greater flexibility, and commitments that enable them to broaden the front of resistance against the political Right. To do so, they support the approximation with the socialists (and blame the "dinosaurs" for the splits on the Left). They want to proceed prudently, in stages—they accuse the "dinosaurs" of being "adventurers." They want to broaden the social base, reconquer the allegiance of the younger Portuguese, penetrate deeper into the intelligentsia, and gain ground among the service workers—they label the "dinosaurs" as "champions of the blue-collar worker." They want to bring new blood into the organization and achieve power as a political party—they accuse the "old guard" of being "fossilized." They quote new authors of theory and doctrine—and they call the "guardians of the temple" the "empiricists."

In light of current circumstances, the renewalists are ready to sell off their rings in order to save their fingers. That's what the "opening" they are proclaiming is all about. There are no new strategies. There are divergences on tactical matters, accompanied by the need to rewrite party history, to delve into institutional memory—a need imposed by the current struggle against the "dinosaurs." They need to carry out a "destalinization," something unlikely to be accomplished as long as Cunhal is alive.

Cunhal Is the Leader of the "Centrists"

And so we come to the "centrists", the swamp. Two men are known to be among them: Angelo Veloso and Carlos Brito. There's another: by tradition and training, Octavio Pato. And the "centrist" for all those times when

factional strife breaks out in the PC—that's Alvaro Cunhal, of course.

Alvaro Cunhal began to be a "centrist" prior to taking charge of the campaign against the "deviation of the Right" in 1961. He was a "centrist" in 1983 [as published] prior to taking charge of the campaign against the "deviation of the Left" in 1964. He was a "centrist" in 1968, prior to taking charge of the campaign against the "deviation of the Right" in 1969.

Alvaro Cunhal, with good friends in Moscow who enabled him to foresee the shift in the winds and try to stay ahead of them. He was acquainted with the eggs left by the Andropov fly, and knew that Chernenko was merely passing through. He anticipated the rise of Gorbachev—he had been at the PC Congress in Porto (episodes that are forgotten today—episodes that, among communists, never occur by chance). Alvaro Cunhal wrote "The Party With Glass Walls" before people began talking about "transparency," and before "perestroika" became famous. Cunhal, who was the Khrushchev's fair-haired boy when he needed to be—and even a "hero of the Soviet Union." Cunhal, who was in the good graces of Suslov and of Panamarev when it was necessary. Cunhal of the Cominform, of the "dacha" in Moscow, who was in the vanguard of the Sino-Soviet split but who made a fact-finding trip to China when the thaw between Moscow and Peking began to be felt.

Today he is the great "centrist." And he is also the one who, at the right point in time, will make the decision. For now, one concern: the search for support in the East: an understanding of what is going on there. Whether "glasnost" is transitory or lasting. In order to be able to make a decision later.

Cunhal, who is still associated with the recent reverses in the PC, the Eanes/Zinha adventure, the vexations of Soares' election, who is the source of the languages used by the "dinosaurs" but found his latest "secretaries" and "aides" among the "renewalists"—Jose Casanova (a sad fate, that of a Cunhal aide; just ask Francisco Martins Rodrigues and Jose Belo d'Ino.)

But it is still Alvaro Cunhal who will make the decision. It will be made according to the interests of a strategy which transcends national boundaries, with the global strategy transmitted to him from Moscow. It might perhaps be his final act. That is why Veloso and Pato—the crown princes, the candidates to succeed him—are alert and standing among the ranks of the "centrists." Waiting.

If things go according to the rules, between now and the time the PC congress is held there will be further expulsions of "renewalists"; followed by demotions of "dinosaurs." And the preview of what will happen at

that congress will come when we learn the identity and the background of the delegate from the Communist Party of the Soviet Union who will come to Lisbon to attend it.

12830

TURKEY

Ecevit Accused of Helping Ozal by Splitting Left
35540023b *Istanbul GUNAYDIN* in Turkish
9 Nov 87 p 3

[“Thorn” column by Rahmi Turan: “Beating a Dead Horse”]

[Text] The man who is known by his speech, not his deeds, is like a garden filled with weeds.

Thank God he is full of talk.

No, you are wrong. This time I am not talking about Mr Ozal.

Our topic today is Ecevit.

Talking a lot is not a skill that is the exclusive domain of Mr Ozal.

For many days now, Ecevit has been touring public squares trying to resurrect his party.

In other words, he is beating a dead horse.

Can he not see the abyss before him? Is he not aware that he will not even be able to meet the threshold requirement in the election and that he will wiped out from the political scene?

What difference does it make even if he surprises everyone and wins a seat in the Assembly by a paper-thin margin?

He will hurt himself as well as [Social Democratic Populist Party leader Erdal] Inonu by splitting the votes of the left.

One could not serve Ozal any better.

There was a time when Ecevit was a hero in people's hearts. He was a hope. He became prime minister three times; but the outcome was always disillusion.

It is evident that he is an honest, upright and trustworthy man. But one finds it hard to say anything positive about his competence.

Every time he broke the wheel and overturned the cart. He exacerbated people's problems, he dashed their hopes.

This nation can no longer expect anything from him.

Although I see that when he speaks, public squares are filled and applause rises to the skies.

He is a skillful orator. He can excite the masses with his good oratory. But that is all.

Once [Nation Party leader] Osman Bolukbasi also delivered good speeches. With his superior oratorial powers he could impassion the masses; his audience would roar with applause and cheer.

But good speech was not enough; not many votes were cast for Bolukbasi.

Years later, during a rally, Bolukbasi shouted to the people cheering him deliriously:

“What kind of people are you? You come here, you listen, you applaud, you agree with me and then you go and vote for other parties.”

Now Ecevit is like Bolukbasi.

He gets the applause, the other parties get the votes.

At rallies Ecevit appears to be angry and ill-tempered. He is uneasy, disgruntled and combative—almost as if he would fight with his own shadow.

He attacks Inonu and the SDPP. Why? He tries to wear down, divide and demolish the SDPP.

His reasoning seems to be: “I may go down but I will take you down with me.”

What will happen if the SDPP is divided and weakened?

What good does that do to Ecevit? None. It only benefits Ozal. He will not have to face a strong opposition in the Assembly. Because Ecevit says: “We will burn together.”

Once the hope of the people, Ecevit has now become Ozal's hope.

The center-left votes made Ecevit a star. Now he is dividing the votes of the left.

Oh Karaoglan [nickname given to Ecevit], pull yourself together and wake up.

Do not pollute the well that gave you water.

[Rhymed passage] Ecevit's crew never worked. The convert ministers had too little to do. Mataraci and Isguzar were palaver and lies. Papers wrote about their dirty laundry. Thus Ecevit dug the grave of leftist thought.

Greece Accused of Historic Territorial Ambitions
35540023a Istanbul CUMHURIYET in Turkish
8 Nov 87 p 2

[Article by Hifzi Veldet Velidedeooglu: "What Does Papandreu Want From Us?"]

[Text] My regular readers know that I am not too fond of writing about foreign policy issues and our various foreign problems. Our respected writers, Ali Sirmen and Ergun Balci, have been performing this function competently. When necessary, İlhan Selçuk also exposes foreign conspiracies and threats with his unique, clear and substantive style. But sometimes one loses one's patience and is forced to take up his pen and write on these matters when confronted with the stance of those governing our country and their failure to inform the Turkish people adequately. The articles I wrote a fairly long time ago—"The Infidels' Izmir" on 9 September 1973, "Continental Shelf Problems" on 4 and 11 August 1974 and "The Threats Besieging Our Republic" on 27 October 1985—were also prompted by such losses of patience and the need to alert our people.

We lost our patience again when Greece responded with a thistle to our offers of olive branches and when we read the sobering facts in Mr Baskin Oran's book entitled "The Western Thrace Question in Turkish-Greek Relations" which is a comprehensive and scholarly work based on documents. On 2 November 1987, CUMHURIYET carried a page 15 report stating that the Greek naval forces protested a joint Turkish-Italian naval exercise in the Aegean Sea and that a senior Greek official told the Athens daily TO VIMA: "With this move Italy is encouraging Turkey's expansionist motives in the Aegean." This statement can only be described as "an accusation by the thief against the homeowner." Who is the expansionist? Turkey has always been in a defensive, not expansionist, position. The same issue of CUMHURIYET carried another report on page 3 about the greeting ceremony organized for the visit by the Greek Orthodox Patriarch of Fener, Istanbul, will pay to Athens on 13 November. The Patriarchate in Fener always played a negative role during the Ottoman state's period of decline. It took an openly hostile position during our national liberation war of 1919-1922 under the leadership of Ataturk. The official evidence of this can be seen in Volume 3 of "Ataturk's Great Speech"—which was first translated into modern Turkish in 1981. In an article published in the 30 October 1987 edition of CUMHURIYET, foreign policy writer Ali Sirmen said: "Politics, especially foreign politics, do not allow any underestimation of problems. The slightest oversight may turn up as an insurmountable problem years later." How true! We suffered for centuries because of Mehmet the Conqueror's decision to allow the Patriarchate of Fener to remain in Istanbul. During the Lausanne peace negotiations after the national war of liberation we took a resolute and unwavering stance with regard to the elimination of special concessions to foreigners. Had we

taken the same stance with regard to moving the Patriarchate of Fener—which has caused us deep grief for many centuries—to Greece we would have dealt a major blow to Greece's dreams of "resurrecting the Byzantine empire." Unfortunately, we did not stand our ground.

In our two articles on 4 and 11 August 1974, we explained in a fairly detailed manner the geological and legal aspects of the principle of continental shelf, international agreements on this issue and the ways of solution proposed by the International Court of Justice in the Hague. However, we were late to defend our rights in the seas, especially in the Aegean, because our politicians and leaders—let alone our people—were too late to wake up to the importance or even the meaning of the concept of "continental shelf." We also acted belatedly on the issue of our territorial waters and flight corridors. In an attempt to force the Greeks to sit at the negotiating table, we gave away the last trump card we had in order to please "friendly" U.S. General Barnard Rogers, thanks to the generosity of our post-12 September President Kenan Evren, and allowed Greece's return to the military wing of NATO. After losing this very important and vital trump card, we were unable to force the Greeks to sit at the negotiating table to discuss our rights in the Aegean Sea.

The question asked in the title of this article, "What Does Papandreu Want From Us?" can also be posed as: "What Do the Greek Proponents of Megaloidea Want From Turkey?" "Megaloida" which can be translated into Turkish as "the great ideal" or "the great dream of the future," can also be called "Panhellenism." Greek Prime Minister Andreas Papandreu is the leader of the Panhellenic Socialist Party which is the ruling party in that country.

While "Megaloida" appears to be an abstract term, it carries a concrete significance for the Greeks. The essence of this ideal is the reestablishment of the Byzantine Empire—which the Turks terminated in 1453—by the Greeks who consider themselves the successors of Byzantium. Every Greek child is indoctrinated with the sweet dream of reverting Ayia Sofia—which Ataturk converted from a mosque into a museum in a gesture of modernity—to a church by retopping it with the 534-year-old cross and belltower and resurrecting in Anatolia and Rumeli a Byzantine state centered in Istanbul. The truth is that these lands have been Turkish for many centuries. The disaster the Greeks suffered in Anatolia on 30 August 1922 occurred because of this fantasy. Unfortunately, not only Greeks but also Turks lost their lives because of it. Izmir, which had been known as the "infidels' Izmir" because of its Greek majority even though it had been part of the Turkish homeland for 600 years, finally became fully Turkish as a result of the population exchange carried out in accordance with the terms of the Treaty of Lausanne which the West was forced to sign after the Turkish victory of 30 August 1922—that is, thanks to Ataturk.

Unfortunately, the person whose reformist works and institutions are being torn down and whose reformist principles are being trodden upon today is the person who established Turkish unity on these lands which the Greeks covet.

I have included three maps of the Aegean in this article. One is a bare map showing national borders while the second and the third maps show the status of the Aegean Sea on the basis of 6-mile and 12-mile territorial water limits, respectively. I have reproduced these maps from Baskin Oran's book*—published by the Association of Civil Servants Foundation—which I mentioned earlier. Using scholarly methods and reliable sources, this important book examines human factors and educational, social and economic issues in Turkish-Greek relations and defends Turkey's rights with particular emphasis on the Western Thrace problem. The book's author, Baskin Oran, is a respected scholar who was dismissed from his position in the School of Political Sciences [of Ankara University] in accordance with Law No. 1402. These maps, which he included in his book, show clearly that with a 6-mile territorial water limit we have an "open sea" passage from the Marmara Sea to the Mediterranean. But if the Greeks raise the territorial water limits of all their islands dispersed in the Aegean to 12 miles, our passage will be blocked, and our ships will be able to reach the Mediterranean only by their permission or by sailing within our territorial waters along the Anatolian coastline. In other words, if Greece's wishes were implemented, the Aegean Sea would become a Greek lake in terms of territorial waters and continental shelf, and tiny Greek islands would suffocate the entire Anatolian landmass. This situation would also have an important bearing on oil exploration in the Aegean.

This is the primary objective of the Greeks—for the moment. Their second objective is "Enosis," that is to annex Cyprus to Greece. I already wrote about their long-term objectives at the beginning of this article; I felt those objectives personally in my bones when the Greek armies reached Polatli (an Ankara suburb today) in August 1921.

We and scholars like Baskin Oran who see all these facts are today considered "leftists" or, according to some shameless people, "nationless." Meanwhile, the owners of holding companies who collaborate with foreign capitalists at the expense of Turkish workers, fundamentalists who want to Arabize Turkey, "Turkish-Islamic synthesists" who pine for the Ottoman period and ruling politicians who have repeatedly given away Turkish rights are considered nationalists and Ataturkists.

How can one not lose his patience??*

* I would like to thank respected scholar, senior architect and artist Rusen Dora for reproducing these maps, which appeared blurred in the book, and for preparing the master plates.

** I wrote this article and the older articles cited therein to alert our citizens and not our government leaders. Because, praise God, our government leaders think they know everything better than everyone else and do not like to be cautioned. I know this from my long experience.

DENMARK

Defense Minister Backs Decision To Buy 50 M-113 APC's

Army Wants 'Obsolete' Materiel
36130031 Copenhagen BERLINGSKE TIDENDE
in Danish 13 Nov 87 p 6

[Article by Nils Eric Boesgaard; first paragraph is BERLINGSKE TIDENDE introduction]

[Text] The Danish Army wants obsolete materiel, so the new modern materiel does not attract hostile fire. That is one of the materiel staff's arguments for ordering 50 armored troop carriers of a model first produced 25 years ago.

The Army will use 50 new vehicles armed with machine guns as support vehicles for the tank battalions' armored troop carriers. This means that they will work closely with the M-113 vehicles that we already have, according to the chief of the Defense Command's materiel staff, Major General T. K. Sorensen. At the same time he dismissed the idea of introducing a new type of wheeled vehicle. That will not be considered until after the end of the century.

However the decision has been criticized by several younger officers who follow international developments closely and the railroad carriage factory ASCAN-Scandia in Randers is ready to build modern armored personnel carriers (APC's) on license from the Swiss firm, MOWAG. "We are working on several bids for compensation production, but unless we get a reply soon we will lay the APC project on the shelf," said director Poul Plougmann.

Maj Gen Sorensen told us that it would be impossible to mix the existing companies up with wheeled vehicles; the enemy could see immediately that they are armed cars and direct their fire at them.

Another important condition has to do with supplies. We have all the organization for the M-113 and the introduction of a new type of vehicle would mean one more service organization.

The Army would like to have a new armored troop carrier model, but the model now used could last until after the turn of the century and there will be many much newer vehicles to choose from by then.

That is an irrelevant argument, opponents of the plans to purchase the M-113 told BERLINGSKE TIDENDE. Of course the enemy can distinguish the new vehicles from the old ones, even if the same model is involved. They will have a gun turret on the roof. Why not begin modernization of the armored troop carriers now and assemble new wheeled vehicles in special units? At first the guns might be mounted on some of the old vehicles

while the new ones are used as much-needed ambulances that could ensure the safe evacuation of wounded soldiers from the battlefield. Eventually, as the number of vehicles increases, they can be used to replace the old worn-out vehicles in combat units.

Critics say wheeled vehicles like the Swiss model used by the Americans and the Canadians are almost as expensive to buy as the old American model but that they are a lot cheaper to use. A study shows that the U.S. Marines' LAV-25 costs \$8.05 per kilometer over a 20-year period while the M-113 would cost as much as \$18.68 in the same period.

To Build Under License
36130031 Copenhagen BERLINGSKE TIDENDE
in Danish 14 Nov 87 p 7

[Article by Nils Eric Boesgaard: "Minister: We Will Buy Old Armored Cars"; first paragraph is BERLINGSKE TIDENDE introduction]

[Text] The defense minister supports the Defense Materiel Command's decision to buy 50 armored troop carriers of a type that is 25 years old.

Defense Minister Bernt Johan Collet (Conservative) will not interfere with the Army's decision to buy new armored personnel carriers of a type that is 25 years old. It has been definitely decided that the Army will get 50 M-113 vehicles, each armed with a 25-mm gun.

"If we were going to start over, it might be in order to look for newer vehicles. But the problem is that we have vehicles that can keep going until after the year 2000," the minister told BERLINGSKE TIDENDE, which reported yesterday that ASCAN-Scandia in Randers would be able to build modern armored personnel carriers on license.

"It would be very expensive if we used several different training and maintenance systems—and it would also be a factor that a wheeled vehicle of the type that can be built in Denmark does not have quite the same driving properties. A caterpillar vehicle can turn on a dime, for example, while a six- or eight-wheel vehicle would need 18 meters to turn around in," the minister said. "That could easily be a question of life or death in combat."

06578

Defense Minister Defends Funding Strategy for Home Guard
36130036b Copenhagen BERLINGSKE TIDENDE
in Danish 11 Dec 87 p 11

[Guest Commentary by Defense Minister Bernt Johan Collet]

[Text] In an article in BERLINGSKE TIDENDE on 15 November, Jacob Winther, a Home Guard squad leader, expressed his skepticism about the possibility of getting increased defense funding in a future defense agreement.

On the basis of that assessment Jacob Winther said that it would be more realistic to concentrate solely on getting increased funds for the Home Guard in the negotiations and in this context he reproached me for my refusal to give the Home Guard preferential treatment.

Jacob Winther's great interest in defense and especially in the Home Guard's cause is apparent in these remarks and of course I am glad of that and I fully agree that, like the other services, the Home Guard has a serious and urgent need for increased funds to invest in new and modern materiel.

Our NATO allies have great respect for our Home Guard but NATO has also repeatedly pointed out that Danish defense suffers from serious shortages in certain areas. If the Home Guard is to maintain its high standards and good reputation, it will be necessary to acquire this materiel.

But I do not agree that for tactical negotiating reasons the Home Guard should be separated from the rest of the defense system and treated individually during the defense compromise negotiations. The Home Guard is an integrated part of the total military defense system and its tasks should be performed in cooperation with the other services. Increased appropriations for the Home Guard alone on the basis of an unchanged defense budget in a future compromise period will inevitably mean that the other branches of military defense will receive less money than they do now. That solution is unacceptable.

The negotiations must concentrate on achieving a solution that allows all service branches to meet their most acute needs through a general increase in the defense budget. My task as defense minister is to balance allocations to the three services and the Home Guard in such a way that the capacity of the entire defense system to defend this country is optimized.

It is not a special Home Guard compromise that we need—but a good general defense compromise.

06578

Air Force Pilots Near 'Open Revolt' Over Pay, Pension Situation

36130029a Copenhagen DET FRI AKTUELIT in Danish 1 Nov 87 p 12

[Article by Nina Vedel-Petersen]

[Text] An open revolt is under way among pilots in the Danish Armed Forces. They say their pay and pension conditions are out of date, but the Defense Ministry disagrees.

The result of the increasingly pronounced conflict is that a large number of Air Force pilots have transferred to civilian airlines, where they receive much higher pay than they get as military pilots.

According to the defense system's own records, as of February 52 pilots had left the service within the last 3-year period. And according to the pilots' association the number is already up to 60-65 now. This means that in the future the Air Force will lack a good many pilots. And even though it is now accepting twice as many people for pilot training and is also promising to pay the young recruits much more than pilots are getting now, there will not be even a partial solution to the manpower shortage until after the 4 years it takes to complete the new training program.

"And in the meantime all the rest of us are doing our best to get into civilian life where lifetime wages are twice as high as they are in the service. This means that there will be no seasoned older pilots left to teach the young ones," said Lars Elmkaer, who is senior union representative for the military pilots in Aalborg.

Feel Cheated

The pilots have been calling attention to the problem for the last 3 years. They feel cheated by the Defense Ministry because they feel they have been promised wage increases time after time but have never seen any concrete results.

Defense Ministry section chief, O. Buch, on the other hand, knows nothing about what the pilots call broken promises.

The Armed Forces has sought help from the United States to solve the current problem. Eight American jet pilots are coming to Denmark to help train young F-16 pilots.

The Danish pilots feel this is one more indication that the ministry does not understand the problem. They do not feel this will resolve the conflict and they also doubt that the American pilots can start training Danish pilots right away.

"Of course we are dissatisfied with our poor wages and pension conditions. But our protest is directed more at the lack of commitment to do something about the problem.

"If they had just told us frankly not to expect more pay, we would probably have accepted it. But no one said that openly and that is why we feel that we have been treated poorly. They are benefiting from the fact that we are still very loyal," said Lars Elmkaer.

Section chief O. Buch, on the other hand, does not feel that the pilots' accusations are justified. "I know nothing about any broken promises. And we have shown time after time that we realized there was a problem," he said.

Very Good Wages

But O. Buch said that many military pilots receive very good wages and he pointed out that some pilots began receiving a so-called "incentive supplement" on 1 April 1987. This applies to some of the pilots under contract. Their military contracts had expired and it was feared they might leave.

"But it is obvious that those who are hired as state employees are now dissatisfied that they did not receive pay increases at the same time. It is a big problem that there are several different arrangements for hiring and organizing military pilots," he said.

"Now those working under contract have reached an agreement. But whether the others can reach a similar agreement is a big question," said O. Buch.

A jet pilot whose job, according to insurance company statistics, is as dangerous as that of a stunt man, earns between 170,000 and 260,000 kroner. This includes all supplements and sentry pay.

Only some of this amount is used to calculate pension benefits and flight supplements, which in some cases pilots can lose from one day to the next, amount to 6,500 kroner a month.

"It is understandable that the pilots are exerting pressure to get more pay. But we cannot change the system overnight," O. Buch said.

06578

FEDERAL REPUBLIC OF GERMANY

SPD Study Charges Bundeswehr Fiscal Planning Mismanagement
36200035 Bonn WEHRDIENST in German
30 Nov 87 pp 3-5

[Text] Following a study of also some secret Federal Defense Ministry documents, the SPD [Social Democratic Party of Germany] Lower House delegation now comments on Bundeswehr planning in the form of an in-house analysis.

Regardless of its partisan politics approach, the paper contains a multitude of data not otherwise available to armament contractors. Here are the comments of opposition analysts on the Federal Defense Ministry plans available to them (1988-2000 West German Armed Forces Plan, Individual Plan 14/Defense, 1988 Federal Budget; estimates for Individual Plan 14 in the 21st Financial Planning Document for 1987-1991):

The basis for justification continues to be the long-standing description of the threat which has been further emphasized by a change in the geographic parameters. The strategy debate within the Alliance is not reflected here. The old stuff is simply extrapolated. There is no indication anywhere as to how the planning concepts for the West German Armed Forces of the 1990's can be implemented in practice. There are plans for an AT combat vehicle although the PARS-3 (AT Missile System 3) is not available; the same applies to the German-French PAH-2 AT helicopter which in the meantime shows an unacceptable cost overrun of more than DM40 million, each, and which would for a longer period of time still have to be equipped with the HOT [High Subsonic AT Missile, tube-launched] AT system so that the planned effectiveness could not be made fully useful at all. Where, for example, is the modern Air Force ammunition that was announced so spectacularly in 1984-1985, except for MW-1 and Maverick 10?

Criticism of stubborn adherence to spectacular projects at the expense of peripheral undertakings, which are to contribute to a considerable increase in the combat efficiency, likewise remains unaltered. Because technological developments and corresponding procurement efforts are lagging, there is more money available than originally estimated in the plans. But, in return, additional ECR-Tornado aircraft and Leopard 2 battle tanks are being purchased. As regards the rather unfortunate crisis management effort involving planning and budget, one must really ask why the political leadership does not go into action and why it allows a planning effort to continue to run even though it realized a long time ago that it cannot be implemented in practice.

Personnel Sector

Past Bundeswehr planning has been secured neither in terms of personnel nor in terms of materiel. The 21st Finance Plan makes the already existing problems even worse. Personnel costs keep going up continually even as a part of Individual Plan 14 (from 41 percent in 1984 to 43.3 percent in 1988) by almost 1 percent per year. This trend will be further accelerated by the induction of married basic military service personnel and the need for recruiting longer-service personnel with additional expenditures even now (re-up bonuses). Operating expenditures, which have been constantly listed at DM34.8 billion in Armed Forces planning and where personnel expenditures take the lion's share, keep going up. If we add the usual pay hikes in the civil service, then we get a considerable pressure against armament procurement.

Armament Sector

As for procurement planning (including research and development), the estimates in the 1988 Armed Forces Plan (based on the 20th Finance Plan) rose from DM15.9 billion in 1989 to DM17.5 billion in 2000. The 21st Finance Plan marked a reduction in the estimates of

DM14.9 billion in 1989 with a rise to DM16.2 billion in 2000 [as published]. As a result of the fact that the finance ceiling was lowered under the 21st Finance Plan, there will be a shortfall compared to the old plan calling for a nominal DM25 billion for the period of 1989-2000. That comes to about 3.5 percent of the Individual Plan 14 as proposed for that interval of time (DM718.4 billion). Even if there is only a moderate cost rise, one must already figure on a shortfall of DM44 billion (DM35 billion for procurement, DM9 billion for research and development). This would call for cutbacks of at least 6 percent out of the proposed DM718.4 billion but that would be a comparatively simple operation in view of the fact that many of the planned undertakings cannot be carried out. Because of the shortfalls that show up in the plans, it is necessary to make such far-reaching changes in drafting the 1989 Bundeswehr Plan (now in the works, to be passed by the end of 1988) that the 1988 Bundeswehr Plan (early in 1987) was no longer considered fit for presentation. By the same token it must be kept in mind that the Bundeswehr during the coming 15 years likewise will have more than adequate budget funds for investments, not perhaps because too much money was allocated in the plan but because important planned weapon systems are not going to be ready at the right time so that several billions of DM included in the Bundeswehr Plan will not be spent for the intended purpose prior to the turn of the century. Here we have, for example, the problem of the combat drone as the 1995 and then we have the advanced-technology weapon systems, such as TGSM [terminally guided submunition], AMRAAM, and PARS-3 all of which will be coming through the pipeline later so that one must really ask what is to be done with this fund flexibility. Funds for converting the West German Armed Forces to a system of bilaterally structural nonaggression capability of NATO and the Warsaw Pact are at any rate available in sufficient amounts.

Disproportionately high cost increases for weapons and personnel with simultaneously declining financing possibilities were foreseeable since the beginning of the 1980's but did not lead to the required adjustment corrections. Because the originally calculable costs for present-day weapon systems are roughly tripled during the approximately 15 years of development, we find that binding decisions are made in the context of medium-term finance planning until 1991 where we have an MTWF (military-technical-economic requirement);

The 12-year planning effort is basically extrapolated annually so that development funds can be released in the context of long-term target projection;

No further detailed calculations are provided for weapon systems of the future which are still in the developmental stage, such as the JF-90 fighter and PAH-2.

In recent years, the Federal Defense Ministry repeatedly made far-reaching and often prestige-oriented decisions in the armament sector on major projects which cannot

be financed with the funds earmarked in the currently applicable finance plans. In this connection it must be kept in mind that about 70 percent of the armament projects and costs (based on Memorandum of Understanding) are laid out in a multilateral or bilateral fashion so that almost every time somebody pulls out of a project, the result would be an operation that would be difficult also in foreign policy terms in which connection the various governments have instruments of pressure against the parliaments which must not be underestimated. In addition there is an increase in the NATO infrastructure funds which are taken away from budget controls by parliament. The defense budget is now growing more slowly after the Individual Plan 14 in past years grew faster than the budget as a whole.

The Federal Defense Ministry does not have any sound financing plans for its current package of individual measures for the armed forces of the 1990's, nor does it have any solid foundation for procurement policy. So far, it has side-stepped the question of armed forces structure. Its procurement requirements are now being cut back as a part of the general fund cutting effort. The assertion of the federal defense minister to the effect that he would redirect the procurement funds and that he would shift the emphasis to the periphery, the improvement of action readiness and combat efficiency improvement—that statement is not supported by his actions.

Preliminary decisions on individual, often prestige-seeking big projects are not to be found in this sector.

The improvised possibilities of the inspector-general when it comes to using funds for new ammunition and task guidelines are limited.

Armament planning shows as little in the way of strategic considerations as does armed forces planning:

A concept for conversion to conventional weapons, including the use of modern technology to strengthen the conventional defenses, has so far been neither submitted to parliament nor has it been analyzed.

The decision not to go for a new tank is obviously based on the desire to procure more Leopard 2 tanks. The Army, consisting of 42 brigades, is to have the following:

14 light brigades with airborne and blocking forces whose modern equipment is to be given priority;

28 armored and armored-infantry brigades with 100 battle tanks each, in other words, a total of 2,800; the Army presently has about 2,000 Leopard 2 tanks so that we can expect requirements for a portion of another 800 Leopard 2 tanks, especially since the Army starts with the assumption that a combat efficiency improvement in Leopard 1 (currently about 2,100 in the inventory) will no longer be enough after the year 2000.

The joint production of an AT and a fire-support helicopter with France is in the talking stage although there is as yet no clear picture regarding operational cooperation with France in the context of forward defense in the Central European sector and although essential parts of the technology to be developed for PAH-2 can today be purchased already considerably more cheaply.

The procurement program of the Federal Defense Ministry was spelled out before the various services had discussed, coordinated, and firmed up their new structure. Besides, it cannot be implemented in financial terms. The "Bundeswehr Plan for the 1990's" (dated 17 October 1984), which is not backed up in personnel and materiel terms, tells us that the Federal Defense Ministry created its own financial troubles and this emerges fully today for the first time because this troubled situation is made worse by the ceiling reduction of the 21st Finance Plan. At best, the federal defense minister can secure his short-term financial planning at the expense of the long-term planning interval in which personnel expenses, rising to uncertain levels, will clash with the costs for continually excessive procurement requirements.

5058/08309

NORWAY

Northern Forces Commander Explains Decision on Allied Exercises
36390016 Oslo AFTENPOSTEN in Norwegian
24 Nov 87 p 12

[Article by Liv Hegna: "Twelve-Year Plan for Allied Exercises"]

[Text] A 12-year plan has been developed for reducing military exercises in North Norway. As a result, the military is canceling participation by such allied forces as the British-Netherlands commando brigade in the upcoming winter exercises.

Consequently, the Arrowhead Express exercise set for 1 to 14 March next year will consist only of the North Norway Brigade, the allied mobile forces (SMF), and Brigade 15. The latter is comprised of reservists from Infantry Regiment 16 of the Nord-Halogaland Land Defenses.

Great Burden

Major General Arne Vik, who is commander of land forces in North Norway and, as such, is commander of the upcoming Express exercise, told AFTENPOSTEN that the reduction in allied military exercises in North Norway was due to the great burden these exercises place on personnel, materiel, and equipment.

The Express exercise of 1988 will include 14,000 men. This will be one of the smallest Express exercises ever held. The largest took place in 1984, with 25,000 soldiers

on the ground. That exercise was combined with the naval exercise Team Work and, counting all the ships and planes, that exercise included somewhere between 40 and 50 thousand men.

The allied mobile forces will also come to North Norway in 1988, but without the West German battalion normally included in these forces. West Germany will send only a medical unit on the company level to Norway.

Reservists

AFTENPOSTEN learned that the 12-year plan includes exercises with reservists according to the traditional pattern: soldiers in army mobilization units will continue to participate in exercises every 4 years in Norway.

AFTENPOSTEN also learned that it was not easy for the military to "sell" the new plan, with its reduced level of allied activities in the northernmost portion of the country, to NATO since this is the alliance's northern flank.

Local Meeting

The 12-year plan is set up in such a way that the burden on the local environment from the military exercises in North Norway will be distributed as fairly as possible. Last Friday representatives from Troms County as well as chairmen and law enforcement officers from the affected municipalities participated in a meeting with the North Norway Military Command to be informed of plans for the exercises. Landowners will be called in at a later date, AFTENPOSTEN was informed.

09336

Admiral Discusses Fleet Modernization Plan
36390024 Oslo AFTENPOSTEN in Norwegian
2 Dec 87 p 19

[Article by Rolf L. Larsen: "Navy To Be Modernized for 15 Billion Kroner"]

[Text] Bergen. The navy's fleet is to be modernized. Thirty new vessels will be built and 26 will be contracted for up to the turn of the century. The new fleet will cost about 15 billion kroner. New construction methods and materials will be used. Ten new mine-clearing vessels are to be built as airfoil catamarans. This technology is being evaluated also for the navy's future fast assault and escort vessels.

Airfoil catamarans have a number of naval advantages: They develop great speed, do not have a deep draft, have a large steerage and require only a small crew. In addition, these vessels are less expensive to build than traditional steel vessels.

"The research, development and construction of the new naval vessels and the adaptation of the advanced equipment that is to be on board should be a challenge not just for the navy but also for several shipyards along the coast. Both Norway's naval forces and Norwegian industry will benefit by it," the chief of the Naval Supply Command (SFK), Rear Admiral Rolf E. Pedersen, says to AFTENPOSTEN.

Daring Plans

The rear admiral and his staff are now drawing up at the navy's head base at the Haakon Corps near Bergen the plans for the building of the country's future naval forces. The work on the airfoil catamarans is proceeding in close cooperation with the Defense Research Institute (FFI) and Det norske [Norwegian] Veritas. Norwegian shipyards and shipping companies that have built and have airfoil catamarans under construction are also contributing with expertise. These vessels will be placed at SFK's disposal, so that the background material can be the best.

A prototype will not be built of the new mine-clearing vessels that are now being planned. Six minesweepers and four minechasers will be built. Contracts are to be entered into next year, and the first vessel will be under construction in 1989. The last will be delivered in 1996. The 10 mine-clearing vessels will cost about two billion kroner.

The vessels will be built in a so-called plastic sandwich design. That is, the hull and superstructure consist of three layers. A shell on both sides, with foam in the middle. It is the combining of these "layers" that will make the new mine-clearing vessels the only ones of their kind for military use. The hulls will be light and strong at the same time. Stronger than steel, the experts think. The air cushion between the two hulls will "hold" the vessels up in the sea, so that the two hulls draw just a third of an ordinary vessel. An airfoil catamaran will also be more resistant to shock loads during mine explosions than other types of vessels are. The vessels will reach a speed of about 30 knots.

"The new vessels will be tailor-made for our coast. Transfers will take place very quickly, and the vessels can exploit the skerries' advantages with their favorable draft. They can make their way through narrow straits and deep waters. The building of these vessels can also contribute to the creation of assets and a new flourishing of the shipbuilding industry here at home. New materials and new construction methods will be used which will give many shipyards great opportunities," Rear Admiral Rolf E. Pedersen says.

PORUGAL

Comments, Poll on Possible F-16 Transfer From Spain

35420041 Lisbon TEMPO in Portuguese
17 Dec 87 pp 16-17

[Commentary by Jose Mateus; poll results analyzed by Teresa Ribeiro]

[Excerpts] There are two questions that are beginning to be raised about the Beja possibility, even long before any negotiations—necessarily of a political nature—get under way. The first is that of public opinion in Portugal. In this edition, TEMPO listens to the views of some potential opinion-makers, not because they are necessarily specialized in matters of military and geopolitical strategy, but merely because they could have some significant role to play in opinion formation.

The second issue concerns the physical features of the Portuguese air force base in Beja. Would the F-16's be able to land there? Is the base equipped to receive and shelter them?

There is also a third question—one we will not deal with now, because it is political, and no negotiations are going on at the moment. That is: What additional risks will the presence of F-16's at Beja entail, and what advantages can Portugal gain from their presence?

An Oversized Base

The base at Beja was designed during the 1970's, in the context of the European scene at the time, to serve as rearguard in the event of a Soviet invasion of West Germany. It was built on a large scale and clearly is far from being used as fully as it could be. "With the changes that occurred in Europe, as early as the 1970's, Germany's interest in Beja declined, and it began to use the base only to train pilots. The change in purpose meant that in fact, the base as initially planned was never finished. Even so, what was built is underutilized today. This information was obtained through a high-ranking source in the Portuguese armed forces. In the opinion of that same official, who requested anonymity, Beja is ready to "receive the F-16's tomorrow." There are no problems with the runways, nor would there be any difficulty in finding accommodations for the crew.

There Is Ample Time

The problems that might arise, in merely technical terms, have to do with requirements of military tactics. "It would be unthinkable to keep the aircraft that constitute the tactical wing of NATO's southern flank all lined up beside each other on the field, or in ordinary sheds. That would make them vulnerable—in the remote hypothesis of a war against NATO launched by the Warsaw Pact—to being destroyed on the ground even

before they could go into action." Because of their importance and the crucial nature of their missions in defense of the southern flank, the F-16's would have to be properly protected.

The nature of their mission also necessitates a communications network such as does not presently exist at Beja. But all these are mere details that can be resolved in due course, according to our source, who also points out that Beja does not lack the needed radar systems.

This leads us to the question of time. Even if the F-16's do leave Spain (which is a different matter than leaving the U.S. base at Torrejon), it is not something that will happen from one day to the next. Even if Washington yields to the political marketing demands made by Felipe (who has made the removal of the F-16's from Torrejon a point of honor to offset, in the minds of his electorate, his flip-flop on the issue of NATO membership, and to make the voters forget about the three American bases on territory of the Spanish State), the departure would always be made with sufficient advance notice to make it possible to take steps at the other site to make any needed arrangements for receiving the F-16's.

Friends Are Friends, Business Is Business

So, Beja is equipped with the basic necessities and there is time enough to supply whatever might be missing. The problem cannot, therefore, be posed in those terms. At such time as the negotiations between Madrid and Washington finally break down, then perhaps it would be appropriate to open the dossier on political negotiations concerning Beja. In that regard, as in all aspect of international relations, "friends are friends, business is business."

During the past 40 years, Portugal has ceded territory to NATO and other allies without any strategic game plan adequate to weigh the concession of those facilities and demand something in return that could compensate the nation in terms of maintenance of its sovereignty. For those of the Salazar school of thought, it was inconceivable that any such overall plan need exist. This is why he turned over areas in the Azores to the British and the Americans, and was unable to strike a balance in the political/strategic issue of furnishing facilities to allies.

It wasn't that Salazar didn't know that there are no unilateral concessions in alliances (otherwise, they are not alliances). Actually he demonstrated in his relations with Franco and the Spanish State that he knew this very well. He simply didn't accept the political assumptions of the Western democracies and their relationships.

That is why he could not develop a strategy that would permit him to be selective and to obtain compensation, in terms of national sovereignty, for the territory he was obliged to give up to the allies. This also explains the minor role assigned to Portugal within NATO.

Explaining Certain Things to the Allies

Portugal has one of the most important and strategically decisive geographical situations in all of NATO. Our territory occupies a good part of the alliance's central zone. Communications between the two components of the alliance (the American and the Western European) are either made via our territory and its airspace and waters, or they are not made at all.

It is time for Lisbon to make the allies—particularly the leader of the alliance—understand that the fact that our land area is part of NATO's space, plus the facilities we are making available, must serve to put an end to the marginal status of Portugal within the alliance and that we, just as any other sovereign state, can never yield our territory to allies without gaining a corresponding increase in our own strength; to yield territory and not to increase—at least proportionately—one's own strength is to be invaded.

Results of Poll

TEMPO interviewed various individuals who, because of their position, can be considered to have an influence on public opinion. We asked them about the possibility that the F-16's in the tactical wing of the southern flank of NATO might be transferred from Torrejon to the Portuguese air force base at Beja. Those who agreed to respond included journalists, film directors, historians, university professors, and members of the Parliamentary Committee on Defense. The essence of what they told us is recorded in the following paragraphs.

Virgilio de Carvalho, Professor of Strategy at the Technical and Catholic Universities of Lisbon: An air base, especially one that serves aircraft as vital as the F-16, always poses a risk. But in terms of solidarity within the alliance to which we belong, there are risks that must be taken for the sake of the defense of all the members, the greatest of which is that deterrence would not work, which could lead to a war. It was with an awareness of those risks that our European allies accepted, for example, the presence in their territory of intermediate-range missiles—which might now be withdrawn if the success of the Washington summit talks is ratified by the U.S. Senate. Portugal must decide which would be better: to have the Portuguese base at Lajes linked with Spanish territory through the presence of the F-16's at Torrejon, or dependent on the Portuguese land mass? We must consider, furthermore, that the Azores are part of a NATO area that is headquartered in the United States. This separates them from Madeira and from the continent, which are parts of another area that has its headquarters in Oeiras. Is this present situation good for Portugal? And, moreover, one must keep in mind that a departure of the F-16's from Europe due to a refusal of the European allies to host them could precipitate the withdrawal of other American troops from European soil, at a time when the credibility of NATO deterrence

must be preserved, now that the elimination of the INF is likely. These are matters on which it is vital that Portuguese public opinion be informed so that its choice may be well-founded.

Maria Santos, CDU congresswoman, once a member of the Parliamentary Committee on Defense: I totally oppose the installation of the F-16's in Portugal. First, because today more than ever it is essential to reaffirm the importance of constructing a new mentality appropriate for the era that is dawning. By this I mean a pacifist mentality. The next century will be the century of disarmament, of demilitarization of societies, of the resolution of all conflicts through dialogue—through dialogue, cooperation, and international solidarity.

Acacio Barreiras, former PS congressman, was a member of the Parliamentary Committee on Defense: I am not worried about the F-16's coming to Portugal, but I believe that this question must be analyzed from the standpoint of the security of the European southern flank within the context of NATO. Consequently, it doesn't seem justifiable to me that these aircraft should be based in Portugal. I question whether this could be of any advantage to our country; furthermore, the installation of those fighter planes in Portugal would not resolve, in technical terms, the issue of the effectiveness of their action in the Mediterranean. From the political point of view, this problem could have fairly serious implications for Portugal, particularly at the diplomatic level.

Amaral Pais, journalist: I am not apprehensive about the basing of the F-16's in Portugal. The presence of two or three squadrons of these fighter-bombers in our country would have both advantages and disadvantages. All things considered, I believe that the former outweigh the latter.

Jose Hermano Saraiva, historian: The specific case of Beja doesn't alter the vulnerability of Portuguese territory in the least. We are just a small contingent that has enlisted under one of the flags and has, therefore, accepted the rules of the game. The die is cast—one type of aircraft more or less cannot change our fate. There has been a lot of speculation; actually it is belated speculation, because at this point the two partners have replaced the game of a war that everyone knew could not take place with the game of a possible peace. In this contest, the most capable will win.

Jose Adelino Maltes, National Defense Association: I am not afraid of having the F-16's in Portugal, either at Lajes or at Beja. I am more concerned about the lack of an system of forces appropriate to our international stature as a NATO partner having a special responsibility to defend the Strategic Triangle. I also worry that defense policy is being discussed in such a way that people cannot see the forest for the trees. The F-16's are just one tree in a vast forest.

Adriano Moreira, CDS congressman, once a member of the Parliamentary Committee on Defense. There are three facts that must be taken into consideration in adopting a position on this subject: first, whether there are any negotiations in which the Portuguese government has been involved. So far, it seems there are none. Second, the need to strengthen the defense of NATO's southern flank. This has been publicly recognized, but nothing concrete has been done. Third, the problem of the infrastructures. There are no published studies on this either.

Alvaro Vasconcelos, director of the Institute of International Strategic Studies: It is hoped that Spain and the United States can find a solution to the problem. As regards Portugal, it does not seem to me that our country should state that it is inclined to favor the transfer of the F-16's. Not only would that be meddling in the bilateral relations between Spain and the United States, but it would reduce our bargaining power with the Americans, especially at a moment when compensation for the use of the base at Lajes has been diminishing.

12830

Cavaco Silva on Luchaire Case: 'Country Not Arms Transit Point'

35420039 Lisbon *EXPRESSO* in Portuguese
24 Dec 87 p 3

[Text] The possible sale to Portugal of components for 155 mm mortars, which reportedly had been made by a French company in March of this year, may represent a new ramification in Lisbon of the Luchaire scandal that has been affecting French political circles for a month and a half.

As a matter of fact, according to reports published by the newspaper *LE MONDE* this week, French authorities issued an authorization to the *Nouvelle Cartoucherie de Survilliers* Company, a Luchaire affiliate (which until March 1986 had made several illegal sales of 155 mm mortars to Iran) to ship 200,000 parts for fuses of the same type of projectile to Portuguese firms in the arms sector. As *EXPRESSO* revealed about 1 month ago, two Portuguese firms in that sector—*Sociedade Portuguesa de Explosivos* (SPEL) and *Explosivos de Trafaria* (EXTRA)—are fulfilling a contract to supply Iran with 150,000 mm mortars ordered by the Italo-American Mario Appiano, representing the *Consar* Corporation of Turin, a Luchaire affiliate. The supplying of fuse parts would thus appear to be a way of completing the assemblage of components necessary for assembly of the aforementioned equipment by Portuguese industry.

In the meantime, informants from the Lisbon companies that were the alleged consignees of the orders—SPEL and Studia (the latter being actually the representative in Portugal of *Nouvelle Cartoucherie de Survilliers*)—issued formal denials to *EXPRESSO*, declaring that they had never received such merchandise from France. The

French Defense Ministry also denied that the order—although authorized in principle by the Interministerial Committee for the Export of War Materiel—had ever been exported to Portugal.

However, the denials did not clarify what really happened inasmuch as a reliable source guaranteed to EXPRESSO that Portugal had in fact received the fuse parts, although they were sent from a country other than France. But the companies supposedly involved refused to reveal what had happened. "I do not confirm or deny," the Studia informant told EXPRESSO. "It does not behoove me to say what was the origin of the material that entered Portugal or which Portuguese firm purchased it." One of the possibilities suggested is that the equipment was sold to another European country, which later reexported it to Portugal—a transaction intended to disguise the true origin of the material inasmuch as the sale of war material to Iran is officially proscribed in France.

In its investigation, LE MONDE (which also mentions other authorized sales of war material to Portugal, which the authorities say did not occur and the consignees guarantee they did not receive) repeats for the most part the reports already advanced by EXPRESSO regarding the ramification of the Luchaire case in Portugal; and, contrary to previous reports, these were not the object of any denial by the Paris Executive. It will be recalled that EXPRESSO revealed that the Luchaire Group had resorted to Portugal to continue to sell arms to Teheran after the French Government last March banned the company's direct sales to the Khamenei regime. The two principal officials of Luchaire, Daniel Dewavrin and Guy Motais, were indicted this week as a consequence of the corporation's sale of arms to Iran between 1983 and 1988.

With reference to the French newspaper's report, Cavaco Silva said yesterday that he did not know about any illegalities committed in connection with the export or traffic of arms in Portuguese territory. The prime minister guaranteed that Portugal "is not an arms transit point," adding, "which does not mean that we claim that there is no smuggling." Cavaco stressed also that "as a rule, the government does not authorize the simple transit of arms through Portugal—only when there is a reasonable national value-added component."

8711/08309

SWEDEN

Forces Commander Presents Ideas on Protecting Neutrality

36500030e Stockholm DAGENS NYHETER in Swedish
13 Nov 87 p 2

[Commentary by Olof Santesson: "OB's Encouraging Picture of a Strong Neutrality"]

[Text] As a fairly new OB [supreme commander of the Armed Forces], Bengt Gustafsson is devoting himself to both perestroyka and glasnost. Of necessity, he wants to

reorganize the Swedish Armed Forces, and he is openly discussing his ideas along various lines. Both things must be welcomed.

This is not to say that everything the supreme commander thinks out loud is completely clear and understandable.

Most recently, he brought up the absolutely central issue in Swedish security policy: will we achieve our goal of keeping Sweden neutral if there is war in Europe?

When the general answers by asserting that the chances not only appear good but have also improved, he is actually turning some of the current assessments upside down.

At least so far during the 1980's, the prevailing view has been that military-technical and big-power political developments in our vicinity have put Sweden in a more exposed position. Not that the danger of war has increased, but there is a greater danger that Sweden will be drawn into a war at an early stage if one breaks out.

That line of reasoning perhaps received its most authoritative stamp of approval in the 1985 security policy report by the latest parliamentary Defense Commission.

Very rightly, Bengt Gustafsson does not deny that Scandinavia has assumed greater strategic importance. But he feels that that very fact has strengthened Sweden's chances for staying out of a war. Neither power bloc can afford to let the other have access to Swedish airspace, since that would alter the entire strategic situation in northern Europe. As a result, both sides will be deterred and themselves will refrain from attempting to violate Swedish territory or to occupy the country.

Unfortunately, one can argue precisely the opposite: Swedish airspace has become so attractive that at least one of the superpowers may be tempted to try to achieve a quick and decisive result so as gain the advantage for itself and forestall its opponent.

Compared to the rest of the world, the Swedish Armed Forces have grown weaker, and that, according to most observers, probably means that the risk being run by Sweden has gradually increased. In his new analysis, Bengt Gustafsson cannot be signaling that the military are more or less giving up because there are not enough funds, can he?

The OB also emphasizes that Sweden must be able to protect its airspace well and defend itself for a long time so that the superpowers will not be tempted to undertake disastrous operations against us.

The environment may make a difference. It is obvious, for example, that experts in the West attach great importance to an air force's strength and capability.

But credibility is also a matter of Swedish will to defend the country.

Observers may not doubt our ability to try to offer stiff resistance if anyone attacks us with a view to forcing us to surrender and submit.

No, there is chiefly another prospect that is causing concern, as was made clear the other day, for example, when a group of Swedish reporters visited NATO's northern command in Kolsas in the Oslo area—let us assume that East and West might follow the opposite line of reasoning.

"Will the Swedes fight back if the Soviet Union tries to use Swedish airspace for an attack on Norway—without actually directing hostilities at Sweden?" That was the question asked by the NATO gentlemen.

Distressingly enough, Sweden's archive-searching ambassador to London, Leif Leifland, has dug up evidence that during World War II, Sweden was tolerating violations of its airspace by the Western Allies as early as 1940.

It is revealed in the ambassador's account, which appeared in the latest issue of the journal of the Swedish Academy of Military Sciences, that the British felt that they would encounter no more than very perfunctory protests, followed by knowing and placating smiles from our highest diplomats.

Not unexpectedly, the result, according to Leifland, was that British respect for Sweden's neutrality was gradually undermined.

Has the rest of the world's respect been restored: does it exist today? No question can be more important as far as Swedish security policy is concerned.

The viewpoints expressed in Kolsas may suggest some uncertainty, either lingering or newly developed.

Naturally, there are good Swedish arguments to the effect that we must use our greatest possible strength to resist even violations aimed at attacking someone else through Sweden. If it were thought in the Soviet Union that the Swedes did not intend to resist overflights to Norway, and if the same thing were suspected in the West, each side would be tempted to forestall the other—in which case the war between the superpowers might rage over our heads.

Under unfavorable conditions, that might even be worse than if Sweden were forced to defend its existence without outside help against attacks from just one power bloc. In any case, it has been a long time since anyone felt that Sweden's salvation lay in receiving NATO's help against the Soviet Union.

The smiles of the 1940's are no longer possible. For example, we cannot give Moscow the impression in peacetime that Swedes would take an indulgent view of violations by NATO in the event of war—or the other way around.

But unfortunately, neither can we assume that competition for Swedish airspace actually strengthens Sweden's neutrality.

We can neither smile nor believe the best. Diplomatic credibility needs to be backed by efforts and sacrifices—otherwise it is in danger of losing a tremendous amount of its value.

11798

Paper Comments on Decision Choices Due to Reduced Forces

36500030c Stockholm DAGENS NYHETER in Swedish
21 Nov 87 p 2

[Editorial: "A Shrinking Army"]

[Text] Inexorably, the Swedish Army is approaching the breaking point. Appropriations are insufficient for keeping the old wartime organization afloat. The organization inherited from the buildup in World War II of a neglected defense force is finally being abandoned. That is what the Army commander in chief announced in the basic document submitted to the supreme commander of the Armed Forces [OB] on Friday.

It means that the figures are being officially laid on the table for the first time. Of today's 20 reasonably well-equipped field brigades on the mainland plus 6 with a weaker organization, 15 will remain now that the Army commander in chief and his staff have completed their calculations. Now, as in the future, there will be a brigade on Gotland. Those 15 brigades are even fewer in number than many people feared during the earlier debate, never mind that the new units will presumably be provided with improved equipment—for night combat, for example—and with refresher training every 3 years.

Following the guidelines laid down by the OB, the Army commander in chief describes how a "territorial defense force" can replace the current local defense force, partly with personnel transferred from the field units and partly with personnel who have received basic training. In this case, refresher training would take place every 5 years.

The entirely new third force, which the OB called a guard organization, is known in the Army commander in chief's terminology as "protective forces." It is assumed that these forces will consist of personnel with basic training and that most of the personnel will receive 10 weeks of training. These small, tailor-made units will undergo a few days of refresher training every 2 or 3 years.

Assuming that the plan is adopted, it appears that at most, two-thirds of the field army will remain. The local defense force will be reduced by more than half and will be smaller than today's force even with the addition of the protective forces. Altogether, it seems that the Army commander in chief needs to eliminate more than 100,000 men from the units. The fact that more than 1 out of 10 conscripts will presumably receive only 2.5 months of basic training, while personnel in the field units will receive a couple of weeks more, is certainly going to cause a debate over the markedly unequal conditions of future compulsory military service.

Fewer units fit for active service are preferable to a larger organization that has been facing the increasing possibility of becoming only a paper structure—that is the new OB's watchword. And he deserves sympathy for his realism. The fact remains that according to the Army commander in chief, 15 brigades are not enough to defend the entire country in accordance with the OB's original requirements—it is said that at least 20 brigades plus a larger territorial defense force are needed.

It is quite likely that before the next "interim" defense decision in 1990, the politicians will have to figure out how the OB's operational planning will look with 15 brigades. So far, they have felt that they could count on nearly twice that number. From the standpoint of security policy, they may not find it difficult, on the basis of the solution outlined, to keep on reasoning exactly as they have so far. In that case, the alternatives become clearer: there can either be a reappraisal of security policy based on the ground force's defensive strength—or considerably higher defense appropriations to keep a larger number of field units in operation.

11798

**Area Commander Argues for Stressing Light
Brigades, Coastal Defense**
36500030b Stockholm DAGENS NYHETER in Swedish
21 Nov 87 p 5

[Guest commentary by Colonel Einar Lyth, defense district commander in Orebro County: "Concentrate on Frontiers and Coast!"; first paragraph is DAGENS NYHETER introduction]

[Text] The emphasis in defense ought to be on the frontiers and the coast. We should concentrate on a few very well-equipped mobile brigades for defending the frontiers and the coast. In the rest of the country, defense should be based on less expensive but well-trained and by no means toothless commando brigades, writes Colonel Einar Lyth, defense district commander in Orebro County. Here he outlines a possible future alternative for the Army.

The buzz word "turbulence" is a good one for describing the current situation in the military leadership. The OB [supreme commander of the Armed Forces] has been

instructed to determine within a short time how the Army's future organization can be worked out within an economic framework that has proven to be considerably tighter than the generals and politicians thought when preparations were being made for this year's defense decision. The problem now is to restore the balance between resources and missions. If one is going to examine the Army, one must also examine the entire Armed Forces on the basis of our security situation and goals—that is, the various situations of crisis and attack, the various ways of conducting defense operations on land, at sea, and in the air, and the organization, training, and preparedness of those military forces.

If the Army is not given more funds, there will be some big changes. This will be the largest operation since World War II. And as always happens in urgent situations, there is a danger that in the current work of making changes, the short-range view will dominate and we will put more patches on an old system. Either there will not be time to implement alternative solutions or those in charge of investigating them will consider them monkey wrenches. The time for carrying out the investigation is too short.

The way things are now, it is impossible to modernize the 20 fairly modern brigades that remain even if the 10 older brigades are abolished. The question, then, is whether we should continue on our traditional downhill path. The 36 modern brigades we once had were first reduced in number to 30. Those 30 then became 20 modern brigades and 10 of an older type. If we continue with our current operating principles and system of wartime organization, those 20 brigades will soon be reduced to 15 or 10. Alongside those brigades are a growing number of local defense units which are gradually getting increasingly old weapons, increasingly young conscripts, and increasingly worse training.

There is also the fact that even our so-called modern brigades are growing less and less modern in international comparisons. It is obvious that the chances for reaching possible invasion areas from an initial deployment area with, say, 3 or 4 brigades are considerably smaller when you have 10 or 15 brigades than they are when you have 30 or 36 brigades. Somewhere on the downhill slope, one reaches the point where one's security policy objectives must be adjusted downward. That is obviously where we are now.

If the objectives must be made less ambitious but the basic framework of compulsory military service is to remain, is there any alternative to the Army structure that has now been worked out by the Army Staff? Of course there is. My purpose is to start a debate by outlining one of several possible alternatives. My starting point is the peacekeeping effect that the defense force is supposed to produce (an attack would cost more than it is worth). The Defense Commission's report indicates that the various situations in which East and West would race to gain control of important areas in Scandinavia

should form the backdrop as we go about building up that peacekeeping effect. Greatly simplified, that means forcing a possible aggressor into as great an investment of forces and as long drawn-out an invasion, march through, or conquest as possible. The latter is crucial so that the other superpower will have time to take steps in the Nordic region or elsewhere. It is those countermeasures, of course, which are most likely to deter an aggressor.

The conquest of areas in the Nordic region must not, therefore, happen so quickly that the aggressor can count on being able to present his chief opponent with an accomplished fact. The aggressor's need to send in large forces and waste time will be due to joint action by the Navy, Air Force, and Army. But the time required for crossing the country or completing a conquest or occupation will depend almost entirely on the Army's combat forces.

In our current economic straits, therefore, we should look for alternatives in which units spread all over the country will be able, at moderate cost, to make a march through, conquest, or occupation difficult. By utilizing terrain and interrupting communications, they will be able, with antitank weapons and mines, to delay the aggressor's leading units and take devastating counteraction against the following march columns. This is possible because the aggressor will be in a race against time. If he protects his flanks or tries to mop up resistance in the forests, he will lose his race with the other superpower.

Those units (commando brigades, light brigades, or whatever name they are given) therefore do not need to be able to beat the aggressor. But they will nevertheless have a good peacekeeping effect. They will be important even in "twilight" situations and other times of crisis when a military presence over the area is important. We cannot afford to provide those units with cross-country vehicles, artillery, and antiaircraft defense. That type of materiel should be concentrated along the frontiers and on the coast. On the other hand, we must give them enough training so that they will be able to operate for long periods regardless of the time of year.

In general, this means that basic training will be as lengthy as it is today, but much cheaper and with substantially improved possibilities for achieving our training goals. As commandos grow older, they will be transferred to local defense units for defending ports, landing fields, Air Force and Navy bases, and the most important storage dumps, junctions, and civilian total defense targets.

What we save on these cheap but by no means toothless brigades should be used to fortify the frontiers and coasts with as many completely modern brigades as possible and to provide them with support from strong artillery, antiaircraft defense, and so on. This is a matter not just of Swedish-manufactured light combat vehicles but also of the best tanks we can buy abroad. Those brigades

must not be equal to the aggressor's. They must be superior. So if necessary, they can be few in number. How few depends upon the level of appropriations. Their small number will require a high level of preparedness and mobility. We should therefore consider having a strong component of helicopter-borne firepower and perhaps even a helicopter-borne brigade that can move from one possible invasion area and regroup in another in just a few hours. Such a force would also be an asset in dealing with intrusions and crises.

The mission of those completely modern brigades would be to cooperate with all other types of combat forces in the invasion area to prevent the aggressor from gaining a firm foothold on Swedish soil for as long as possible. The difference in terms of the situation we have had so far is that we can no longer demand that the Army combat forces have a real chance—following Air Force and Navy losses during a lengthy phase of preliminary combat—of acting almost entirely on their own to repel an aggressor that has landed from the sea and air. In the future, we must be content with combined forces that can move in the direction of the threat and force the enemy either to engage in lengthy preliminary fighting or to attempt an invasion more or less without preliminary combat. In either case, we will be forcing the enemy to deploy a substantial force and to waste time even in the initial battle. It is true that this will produce a smaller peacekeeping effect than what we have today in the case of operations which do not involve a race against time. But the line must be drawn somewhere in our formulation of objectives, and since that is true, it should be drawn to exclude the least likely types of attack.

The emphasis in the Armed Forces—the entire thrust of our determination and perhaps 80 percent of the defense appropriation—should therefore be placed on our capability on our frontiers and coasts, not spread out over the entire country. That is essential in view of society's vulnerability. Fighting over the entire land surface is not desirable. But if the aggressor succeeds in gaining a foothold on Swedish soil, the country will not lie open, and the race with the aggressor's main opponent will not be over. It will have just begun.

One advantage of the Army alternative that I have outlined here is that young men can be filled with enthusiasm for service in both the lighter and the heavier brigades, partly because both have easily understood combat missions and good prospects for success, and partly because both have an elite character—one because it is a commando service with completely modern portable weapons and the other because it involves combat with firepower, protection, and mobility of a high international standard. It follows from this that the defense industry's potential can be used and maintained better than it could in a system comprising a limited number of semimodern brigades as the A team and a large number of younger and older local defense units, some with brief training, as the B and C teams. It will also be possible in

the future to support the conscripts with the best that Swedish industry can produce—including antitank weapons and mines, in which we are now world leaders.

Lastly, it should be pointed out that when the time comes for the politicians to take a stand on possible future alternatives for the Army—and all the alternatives will be worse than what we have today unless more money is provided—it will naturally be necessary first that they decide how our security policy objectives should be revised. But it is almost equally important that they also take a look at coordination between the military forces and the civilian components of the total defense organization and consider how to maintain or preferably strengthen support for the Armed Forces in a democratic society.

Our society's structure with its strong decentralization provides crucial tie-ins with the Army's organization. It requires ties with the counties and municipalities that are scarcely possible without peacetime Army activity all over the country more or less as at present. Even if the military command staffs are kept, alternatives that call for eliminating a number of county regiments will undermine both people's defense and the total defense organization.

11798

Women's Defense Group Plays Key Role in Total Defense Concept

36500030d Stockholm DAGENS NYHETER in Swedish
15 Nov 87 p 2

[Article by Anders Ohman]

[Text] Ill-tempered vixens in green overalls who associate only with officers. Stout, cheerful women who ladle out pea soup from a smoking field kitchen to hungry conscripts. Emotionless pursy-mouthed ladies from the upper class.

There are many biased images of the members of the Swedish Women's Defense Services. The poet Runeberg wrote in "Second Lieutenant Steel" about Lotta Svard, who had to endure being laughed at but who was nevertheless the most honored of all.

Pea soup is associated most strongly with those women. There is a myth that they mix soda with their pea soup to reduce the soldiers' sexual powers.

The members of Sweden's Women's Defense Services have launched an offensive to show who they are and tell what they stand for and what they do. A poll by SIFO [Swedish Institute for Public Opinion Polls] has shown that 96 percent of those polled know about the Women's Defense Services, but only with respect to their role in World War II, when they prepared food, tended the wounded, and drove vehicles. The picture has changed over the past 40 years.

Pea Soup Important

Today the Women's Services have about 20 missions within the total defense organization.

A member may guard frontiers, work with the intelligence service, operate telephone exchanges, be a radar operator—and cook pea soup. In their campaign, they have tried to downplay pea soup. But food preparation in the field is a very important task. Hungry soldiers easily lose their motivation.

The members are proud of pea soup, not as a symbol of subjection and female drudgery but as a symbol of female will to defend the country.

"All the parties in Parliament agree that we should have a defense force. Women have a place in that defense force. In view of the violations of our borders in recent years, it is important to show that there is a will to defend ourselves in this country. As members of the Women's Defense Services, we can really have an effect on that situation," says Marianne af Malmborg, national head of the Women's Defense Services, an elective post that is held for 2 years.

During World War II, there were over 100,000 members of the Women's Corps in Sweden.

Today the number is half that large, with 50,760 members distributed among 544 local corps.

More Young Women

The SIFO poll shows that younger women are more inclined than older women to be come members. Of the women between the ages of 16 and 29, 49 percent can imagine themselves becoming members. Of those over 50 years of age, 67 percent absolutely cannot imagine doing so.

Forty percent of the young women want to join in order to do something for their country, 32 percent want to play an active part in defense, 16 percent feel that the Armed Forces should include women, and 11 percent want to know what to do in the event of a war.

Women in southern Sweden are more interested in joining than those in the northern part of the country. Interest is greater in the rural areas and the smaller towns than in the big metropolitan areas.

Men Favorable

Men have a favorable opinion of members of the Women's Corps, and this is true even if their wife or live-in partner joins the corps. They think it is good for women to assume their share of responsibility for defense.

"Unless the men are just paying lip service to the idea," say the women in a commentary.

Women who do not want to join the Women's Defense Services say that they have other things to do in their spare time or that they are old and sick. Only 2 percent of those not interested consider defense unnecessary and feel that male conscripts are enough. Of the younger women saying they are not interested, 17 percent feel that "the Armed Forces are concerned only with war, and I don't want that."

DAGENS NYHETER met with Marianne af Malmborg, 44, national head of the Women's Defense Services, and two members: Ingrid Gotberg, 72, who has been a member for 56 years, and Anna Henningsson, 19, who has been a member for just over 2 years.

Remembers Gratitude

Ingrid likes to recall the soldiers' gratitude for fresh pancakes at Fort Marstrand during the emergency years in the 1940's. The Women's Services cooked brown beans and pork or pea soup and pancakes with powdered eggs. The field kitchens were heavy and covered with grease that dissolved when the pots heated up. It was hard, laborious work. She does not miss the stiff military attitude that used to prevail in the corps.

"When I was corps leader, the other members would stand stiffly at attention. I thought that was dreadful. I'm glad we don't do that anymore," says Ingrid. Now the members giggle easily and often. They say it is fun to be a member. Comradeship in the training classes is good. The pace of study is lively.

Anna, 19, became a member because she has long had an ardent interest in aviation. Now she now wants to be a combat pilot, but women are not allowed to fly the Viggen or the JAS-Gripen. Her experience as a member of the Women's Corps is leading her to concentrate on becoming an Air Force officer. She will take advantage of women's right to become conscript "PBS-ers" (NCO's) and is going to sign up at the area recruiting office. She is a happy, well-trained girl—"supermotivated," in DAGENS NYHETER'S judgment.

Wants To Take Responsibility

"I want to assume my share of responsibility for defending Sweden. A strong defense is one guarantee of continuing peace. If anyone is thinking of attacking us, he should know ahead of time that it will be very hard to do so."

Is it not difficult for a young girl to try to enter the male-dominated military profession? Recent figures from the Army indicate that few women stay in the service. In 1983-1984 and 1984-1985, 80 women began

their basic training in the Army, and 55 completed that training. Of that number, 18 were appointed active second lieutenants in 1986 and 1987, and 2 were made reserve officers.

"I know what I want. Flying is everything to me. It is necessary to believe in oneself," says Anna. And Ingrid comments: "If only I were younger."

She says: "Young people are so goal-oriented today."

The national head of the Women's Defense Services pointed out that not all members are as motivated as Anna.

"Most of them are content with voluntary work," said Marianne.

She herself once served in the Army Staff's Civilian Personnel Section and can handle leadership questions. The national head of the Women's Defense Services is a second lieutenant, the highest military rank in that service. Half the members are assigned to the wartime organization.

11798

Officers Organization Claims Widespread Dissatisfaction

36500030a Stockholm DAGENS NYHETER in Swedish
19 Nov 87 p 15

[Article by Tord Johansson]

[Text] Goteborg—The Army commander in chief is wrong! The officer crisis in the Armed Forces is not over. Defections from the officer corps are more numerous than ever. Industry is attracting officers by offering up to twice as much pay.

Swedish officers are obviously displeased because on the eve of the approaching wage negotiations, one of their top leaders has stepped forward and presented what in their eyes is a completely erroneous picture of reality. They think they have gotten the same alarming signals from the Personnel Administration.

At a press conference in Halmstad on Wednesday, the SOF [Swedish Association of Armed Forces Officers], which is the officers' professional organization, therefore presented figures showing that the problems have not been solved at all.

Firms Attracting Officers

In all, vacancies in the Armed Forces amount to 12 percent, meaning that there is a shortage of 900 officers in the Army alone. In the Navy and Air Force, there are between 300 and 400 vacancies.

So far this year, 127 skilled members of the SOF have left the military profession to accept civilian jobs. That is more than the total number for 1986, and the trend is continuing.

"And it is precisely the officers we want to keep who are leaving," says Leif Tornquist, chairman of the officers association.

"Military training is good, especially in the area of leadership. The firms want such people, and they are attracting them with salaries that are from 50 percent to 100 percent higher than military pay."

Tornquist compares a battalion commander who leads 1,000 men to a medium-sized employer. What managing director of such a large firm would be satisfied with from 12,000 to 15,000 kronor per month after many years of toil?

He admits, it is true, that last year's pay agreement was quite a good one.

"It induced a number of younger officers who were on their way out to stay where they were, but the great majority, who do the tough work out in the units, are still being ignored."

Tornquist says that the limited measures adopted on an urgent basis last year to benefit Air Force pilots and some groups of technicians are not enough.

"They must be followed up so that there will be no pay imbalances between different groups of officers."

New Attitude

Besides the technicians, who have always been coveted by the civilian sector, there are mainly two groups of officers who are leaving the profession.

In Tornquist's opinion, the fact that newly trained young officers are being lost is due partly to the new generation's attitude toward working life. Young people want to feel their way forward in various areas, and that is not a problem specific to the Armed Forces.

More serious are the skills that the Armed Forces lose when too many higher-ranking soldiers with advanced training from the National Defense College are bribed away by the firms.

"If we could reduce the number of annual early retirements from the current 3.5 percent to a more 'normal' figure of barely half that, we would be recruiting 200 new officers per year," says Tornquist.

"Then we could plug the worst holes in the training system.

"What we have now is a squirrel cage. The more people who quit, the greater the burden on the officers who remain, and that creates an unreasonable working situation."

11798

EUROPEAN AFFAIRS

FRG R&D Minister Calls for More EC Participation in EUREKA

36200044b Frankfurt/Main *FRANKFURTER ALLGEMEINE ZEITUNG* in German 22 Dec 87 p 11

[Article: "Bonn Wants EC Research Facilities"]

[Text] Brussels, 21 December—Last Monday the research ministers of the EC attempted to reach agreement on the future of the controversial "joint research facilities" and their 2,200 scientific and technical personnel. There have been disputes for some time about the work of the researchers in Ispra (Italy), while the status of Patten (Netherlands) and Mol (Belgium) as well as Karlsruhe (FRG) appears secure. Among other subjects, the scientists are concerned with reactor safety, nuclear fission and environmental research. The cost of the research facilities to the EC amounts to about 210 million ecu (roughly DM 420 million). Great Britain in particular has for some time been critical of the unusually high salaries of the European civil service researchers.

Bonn's R&D Heinz Riesenhuber forcefully advocated the retention of the Ispra research facility during the Brussels meeting. If there are additional delays, he said, the entire Ispra program would be in doubt by the end of this year. In Riesenhuber's opinion, there is a wide range of activities open to its highly qualified personnel in the fields of nuclear safety, environmental protection and food hygiene. Also, the researchers would have to search for contractual work on the open market. In this connection, the Brussels EC Commission had estimated that the research facilities would be able to finance a mere 3.5 percent of their budget from private industry contracts. Riesenhuber and some other ministers think this estimate is too low; they believe that opportunities for obtaining private sector contracts are considerably greater.

During the term of Germany's presidency starting on 1 January 1988, Riesenhuber hopes to achieve, among other things, a positive decision by the Ministers' Council on the nuclear fission program and on the continuation of the Esprit program concerning microelectronics and modern information exchange. The minister considers better coordination between the EC research programs and Eureka to be particularly important. The minister indicated his particular disappointment with the EC's participation in the Eureka concept, which has been hesitant at best to date. As an example, the commission expressed an interest in no fewer than 50 Eureka projects, but has participated in only two so far. During the term of German Council presidency, Riesenhuber also plans to discuss with the partners such items as standardization of modern research and protection of the unborn.

09273/06662

EC Training Program To Promote Competitiveness in Key Areas

36200044a Duesseldorf *HANDELSBLATT* in German
21 Dec 87 p 5

[Article: "Closer Coordination Between Higher Education and the Economy"]

[Text] Bonn—With its COMETT Program (Community Action Program for Education and Training in Technology), the European Community supports cooperation between the economies and institutions of higher education in the European alliance. The budget for this enterprise is 45 million ecu (about DM 93 million) for a period of 3 years.

The COMETT program was initiated toward the end of 1986 and is beginning its second year of existence. Within the EC, 100 training partnerships are currently being supported.

At an information meeting of the German Academic Exchange Service [Deutscher Akademischer Austauschdienst, DAAD] and the Carl-Duisberg Society in Bonn, Dr Karl Roeloffs of DAAD stated that a higher level of education and training for activity in future-oriented industries is desirable. This would strengthen competitive capabilities of the European economy in the world markets, especially with respect to the United States and Japan. The exchange program, he continued, is designed to promote an internationally-oriented frame of mind and thus indirectly to improve economic efficiency.

Emphasis of R&D in Technology

The EC seeks particularly to promote an impetus to R&D in the areas of technology, science and technological management. Training programs therefore primarily feature areas in which technological progress requires new combination of qualifications and where technological changes have a social impact, such as labor relations and job security.

The program encompasses five integrated areas:

- development of international training partnerships between industrial enterprises and universities;
- exchange of students and experts between universities and the economy;
- development and testing of advanced educational projects;
- development of multilateral training programs, to be disseminated via modern information media;
- information and evaluation of ongoing projects.

One eligibility criterion for support is that partners from a minimum of two EC member states are to be brought together.

The COMETT Program has elicited great interest within the EC.

According to Volker Gehmlich, who is active in managing the program in Brussels, the FRG's participation in COMETT support activities is still below average. However, 400 of the 1,067 assistantships awarded to date have gone to German students.

According to Roeloffs, specific results of the first COMETT round will become available in January.

09273/06662

FRANCE

Parliament Approves 1988 National Budget
35190026c Paris *LE MONDE* in French 19 Dec 87 p 19

[Article: "The National Budget for 1988 Is Adopted Conclusively."]

[Text] The national budget for 1988 was conclusively passed by parliament on Friday the 18th of December. It was passed in the National Assembly by 294 votes (RPR, UDF) against 291 (PS, PC, FN), and in the Senate by 226 votes against 85. As usual, the parliamentary workings only slightly modified the overall balance of the accounts. The deficit, which had been initially set by Mr Edouard Balladur at 114,924 million francs, is increased by 59 million to reach 114,983 million. Fiscal revenue in the end is actually 968,862 million, or 22 million more than in the initial bill; the state's final expenditures have increased by 600 million to reach 1,082,248 million. Temporary revenue has also increased, which explains the weak growth of the final balance.

Deputies and senators came to easy agreement in joint committee, retaining the text passed by the Senate for almost all the articles. Only two clauses provided for by the Senate were deleted: the one which provided for increasing the water conveyance tax and the one which gave the tax service [service de la redevance] the right to stop the salaries of those liable. Some final promises were also met on the initiative of the government. They will cost 414 million in all, partly financed by the early repayment of loans to the FDES (340 million). The same process had already been found for paying for some small "gifts" in the 1987 bill. Lucky FDES which discovers that its creditors are going to pay back what they owe it more quickly than expected, at the time when the government needs it! Indeed, Mr Alain Juppe had a series of amendments to the text worked out by the CMP approved by the National Assembly and then the Senate.

Monthly payment of pensions - The switchover from the quarterly payment to the monthly payment of pensions could for certain retirees involve one tax payment out of 14 monthly [pension] payments. The pensioners will now be able to spread the declaration of this particular income over a period of two years.

Levy on the state lottery - The endowment—out of the receipts from this gambling game—for the sports development fund having been increased in the Senate, the state's levy rate has been raised to 2.25 percent in order not to reduce the gains of the players; it will cost 30 million.

VAT on equipment for the handicapped - Its lowering was demanded for a long time; the government was always opposed to it; this time the government itself proposed that the VAT be set at 5.5. percent.

Prison guards - an additional 44 million is being devoted to them, in order to permit new positions as of the start of the year and to finance considerably more overtime.

Tax credits for training - The government has agreed to enterprises benefitting from a tax credit of 25 percent on the amounts they devote to training beyond one percent of the aggregate remuneration which is compulsory. Mr Robert-Andre Vivien (RPR, Val-de-Marne), general reporter of the budget, specified that this provision would also benefit enterprises with less than 10 salaried employees which are not obliged to spend money for training their salaried employees.

Retirement savings plan - The UDF obtained satisfaction after a long refusal by Mr Juppe. The ceiling of the amounts which it will be possible to put into a retirement savings plan with tax advantages moves up from 12,000 francs a year for a couple (plus 3,000 francs if they have at least three children who are dependents) to 16,000 francs (plus 4,000 francs in the same case). The ceiling moves up from 6,000 to 8,000 francs for a single person.

Savings accounts in stocks - The government had expected to put an end to the mechanism devised by the left to urge small savers to buy stocks. In the end, it decided that this would be extended into 1989. This measure, as the previous one, is a consequence of the stock-market crisis.

13084

Poll Optimistic on Future Consumer Activity
35190026b Paris *LE MONDE* in French 18 Dec 87 p 42

[Article: "Despite the Stock Market Crash, the French Are Going To Continue To Consume"]

[Text] Greater confidence regarding developments in unemployment and prices; fear of seeing the standard of living deteriorate. These are the feelings of the French who were questioned by the INSEE [National Institute

of Statistics and Economic Studies] at the end of the year. The survey of the economic situation of households takes on particular importance this year. It was conducted between 15 October and 5 November and was influenced by three events which had great consequences: the stock market crash, the drop in the VAT on automobiles and the setting up of the retirement savings plan.

Paradoxically, the households announce their intention of increasing their consumption, which would tend to prove that the impact of the fall in the VAT is stronger than that of the stock market crash, unless the effects of the latter had been poorly perceived up to early November, the date when the survey was finished. But this interpretation is not very probable, for the households do tell the INSEE that they want to save less in the form of stocks and more in the form of bonds, state loans, savings books, housing savings. So consumption should not undergo any decline in the immediate future due to the worry of households. This attitude should continue to benefit the automotive industry, intentions of purchasing new cars increasing considerably.

Everything is going on as if the French (7,148 persons were questioned) were aware of an improvement in the country's situation (less inflation and less unemployment during the coming months) and of the price to be paid for this improvement: deterioration of their financial situation and a lowering of their standard of living. In this context, the French seem to have made the choice to maintain their consumption come what may.

13084

Textile Industry Slumps in 1987
35190026a Paris *LE MONDE* in French
18 Dec 87 p 37

[Article: "New Slump in 1987 in the French Textile Industry"]

[Text] The French textile market will have declined by two percent in volume in 1987, and 1988 should confirm this trend, considering the fall of the dollar and competition from countries with low wages, according to the Union of Textile Industries. Moreover, the skilled workers are dissatisfied, Mr Charles Bary, president of the federation, asserted on Wednesday, the 16th of December, and he deemed inadequate the measures for amortizing investments announced the night before by the minister of economy, Mr Edouard Balladur.

The deindustrialization of the textile-clothing sector seems inevitable in Europe. This is the conclusion of an internal survey by the ready-to-wear clothing federation. There are 10,000 jobs which disappear every year in France; a quarter fewer workers than in 1975 in the ready-to-wear clothing industry. A thousand enterprises shut down every year. It should be recognized that a

similar number of enterprises come into being because of the national prestige which characterizes clothing. But these newcomers are fragile companies.

The survey demonstrated that this sector is less and less a manpower industry. Consequently, it is the developing countries which, by virtue of unbeatable hourly costs, are progressively gaining ground; also because of the improvement in their quality of production. In Europe it is becoming absolutely necessary to take refuge in creation where productivity is better: the per capita turnover is some million francs for an enterprise which creates and markets but does not manufacture, as opposed to 300,000 francs for an integrated manufacturer and 100,000 francs for a simple jobbing tailor.

Another survey conducted by the federation of women's ready-to-wear clothing demonstrated that half of the enterprises of this sector (1,200 companies at present) are doomed to disappear. The keys to success in women's ready-to-wear (the men's sector is already widely concentrated around big enterprises such as Biderman and Vestra) are the combination of a brand name, an efficient distribution mechanism and a competitive cost price. The European "winners" are especially West Germany, which has a large part of its production subcontracted out to countries with low wages. Only such enterprises which bring together these three conditions for success will survive.

13084

PORUGAL

USSR Tops List of Shipyard Repair Customers
35420036c Lisbon *DIARIO DE NOTICIAS*
in Portuguese 16 Dec 87 p 4

[Text] In 1987, the Viana do Castelo shipyards repaired 50 ships, having collected 1,450,000 contos for repairs and conversions, a company source revealed yesterday.

The USSR is in first place on the list of customers of the shipyard, where 16 ships have already been built for that country and nine more are scheduled to be delivered in the next 3 years, comprising an order amounting to 12 million contos.

The same source revealed that, although the orders currently at hand place the shipyards in a close to maximum capacity situation, "they will not fail to attend to requests from the repair and construction markets."

The shipyards, which were established in 1944, marked a 300 percent increase in repairs in 1987 compared to the previous year.

08711/06662

Direct Negotiations on Libyan Refined-Oil Purchase, Investments

Negotiations Viewed as 'Positive'
35420036a Lisbon *DIARIO DE NOTICIAS*
in Portuguese 15 Dec 87 p 4

[Text] A PETROGAL official revealed yesterday that, in Tripoli Sunday, Portuguese oil company concluded the first ever direct negotiations with Libya, which were described as "very positive."

According to a report by Teresa Mendes of the LUSA Agency, PETROGAL may purchase refined products from its Libyan counterpart, Brega Marketing International, for an undisclosed amount.

Although its value is not known, the transaction is likely to involve annual sums in the order of millions of contos, as is normal in this sector.

In recent years, Portugal has purchased refined products from producers in the Mediterranean area, specifically from Libya, but through other channels owing to bilateral relations problems.

The company's director of supply, Trindade Alves, told LUSA that in the course of the 2-day negotiations in Tripoli, Brega, an export affiliate of the Libyan national oil company, expressed its "openness to begin to sell crude oil to Portugal as soon as PETROGAL considered it appropriate."

The source declared that the possibility of the purchase of crude from Libya has been set aside for now owing to questions connected with quality and prices, which are not the best indicated for the Portuguese market.

PETROGAL obtains its supplies of crude from other areas of the world, such as the Persian Gulf and Egypt.

Until now, Libya was the only Arab oil-producing country with which PETROGAL did not have direct relations. The negotiations, which fall within the context of the visit of a Portuguese delegation to Libya, are viewed as "very positive" for PETROGAL because they may lead to obtaining better prices in the future.

Direct negotiations also guarantee possible supplies in times of crisis, a factor that PETROGAL regards as "transcending" the price question.

The 20 members of the Portuguese delegation, which concluded its visit to Libya yesterday and which encompassed areas of economic, technical, social, and cultural interest, went to Tripoli at the invitation of the Luso-Libyan Friendship and Cooperation Institute.

Privatization

Sources in Tripoli told LUSA Agency yesterday that the Libyan state company for foreign investment, LASICO, expressed interest in acquiring part of the capital of public companies that may be denationalized.

The proposal was conveyed Sunday to the director of Tradingpor and assistant director of the National Promotion Bank, Helder de Oliveira, by the president of the Libyan state company.

The total investments of the Libyan and Arab Foreign Investment Company (LASICO) was 309,495,744 dinars (about \$1 billion) in 1985.

Speaking to Teresa Mendes, Helder de Oliveira revealed that Lasico also expressed "great interest" in investing in various sectors in Portugal, specifically in civil construction, tourism, and any industries.

To carry out this type of investment, the Libyan state company stated that it is prepared to establish a company structure in Portugal designed to manage what it may eventually acquire in our country.

"The proposal is for the formation of a joint company with Libyan and Portuguese capital to implement that type of task," said Helder de Oliveira.

LASICO operates with economic-financial objectives, seeking to apply Libyan capital abroad with the prospect of obtaining profits, thus earning a return on the surpluses generated by oil exports. It also participates directly in the maritime transportation, agricultural, industrial and mining, fisheries, commercial, real estate, and other sectors.

Of the approximately \$1 billion invested by LASICO in 1985, priority was given to the formation of 10 holding companies (121 companies throughout the world and indirect participation in 172).

Great Care Advocated
35420036a Lisbon *DIARIO DE NOTICIAS*
in Portuguese 1 Dec 87 p 5

[Editorial article: "The Price of Consistency"]

[Text] Following negotiations by PETROGAL in Tripoli, the way is now clear to enable Portugal to make direct oil purchases from Libya in 1988. Although it embodies a political component, this fact is essentially pragmatic and should not surprise observers who are most attentive to the realities and demands of the world oil market.

In the meantime, according to another report, Libya expressed great interest in acquiring part of the capital of Portuguese public companies that may become privatized and also in making other investments in our

country, specifically in the industrial, tourist, and civil construction sectors, for which it would be prepared to establish a company structure to insure the management of those interests. In our view, this second report justifies thoughtful reflection because in this case the political component is more important. Pragmatic criteria cannot be the only factors to be considered; or rather, the pragmatic criteria must necessarily include the political aspects of the matter.

This is a general principle to be observed when any foreign investments are involved, especially, but not exclusively, when it pertains to alienation of the capital of public companies. The Portuguese hold very vast responsibilities in that area, not the least of which is maintaining the consistency of their position vis-a-vis the great international problems.

If we begin from the general principle enunciated for the specific case under consideration, that is, the possibility of Libyan investments, whether in the private area or the area subject to privatization, we will have to equate, on the one hand, the clear and publicly assumed position of Portugal as pertains to the criminal activities of international terrorism; and, on the other, the known involvement of the Libyan regime in financing, inspiring, and training the most diverse terrorist groups in the most diverse and distant parts of the world.

It may be argued that the responsibilities of the state and government are confined only to the public enterprise sector moving toward privatization. However, the matter is not so simple, and even the imperatives of economic pragmatism must take into account certain realities that cannot be escaped, however disagreeable they may be. Let us give a brief example: about a year and a half ago, it was reported that a Libyan citizen, Ahmad Ammar, admitted to Pakistani security agents that he had financed a number of attacks against the facilities of airline companies and against the French Consulate in Karachi, in addition to other actions that resulted in 30 casualties in that city. Ammar was the director of the Pak-Libya Holding Company. Another example: last year, the Italian interior minister, Oscar Luigi Scalfaro, revealed that in 1982 two Libyans had been arrested because they had been planning to assassinate the president of the republic, Sandro Pertini. At that time, Colonel Qadhafi still owned enough shares in Fiat to assure him two seats in the board of directors of the largest private company in Italy; the economic relations between the two countries were close at that time.

We will not comment on those facts. We merely cite them as a matter for reflection, adding what seems to be evident: that the opening to foreign capital and joint-ventures, while positive in itself, nevertheless, must be regulated by strict and effective mechanisms; and in no case should be indiscriminate.

Finally, let us meditate on the following: political consistency certainly has its price; but sometimes the departure from consistency may have a higher price.

08711 662

FEDER Regional Development Funds Granted
35420036b *Lisbon DIARIO DE NOTICIAS*
in Portuguese 1 Dec 87 p 5

[Text] The European Commission approved a contribution of 6,979 million contos from the European Regional Development Fund (FEDER) aimed at financing 332 investment projects in Portugal that are basic for development of the regions with positive effects at the employment level.

The Center was given priority consideration, receiving 3,255 million contos intended for 173 hydraulic infrastructure projects (specifically water supply and sanitation networks) and transportation infrastructure (especially municipal roads). Following it in the order of magnitude is the Lisbon Region and the Tagus Valley, receiving assistance in the amount of 1,731 million contos intended for 79 investment projects, specifically hydraulic infrastructures.

A contribution of 950,000 contos was allocated to the North Region, encompassing 45 projects. Of this amount, 146,000 contos will be applied in the construction of the Gaia industrial zone.

In the Alentejo Region, 563,000 contos have been allocated to 25 investment projects, while the Algarve will receive 610,000 contos to be applied in nine investments in the sanitation area.

The decision of the European Commission also encompassed the Autonomous Region of Madeira, allocating it a grant of 176,000 contos for the construction of a water conduit for a depressed area.

08711/06662

TURKEY

Privatization Head Sees Nation at Turning Point
35540027 *Istanbul HURRIYET* in Turkish
8 Nov 87 pp 13, 18

[Interview with Cengiz Israfil, deputy chairman of the Public Partnership Fund, by correspondent Emin Colasan; date and place not specified]

[Excerpts] Guest of the Week: Cengiz Israfil

Cengiz Israfil was born in Poland in 1942. He emigrated to Turkey with his family in 1946 and stayed here until 1959. After emigrating to the United States in 1959, Israfil graduated from the Mathematics Department of Columbia University. He began working as a banker in

the United States in 1967. Israfil, who speaks Turkish, English, Polish and some Russian and Serbian, is married and the father of three children. Since his return to Turkey in 1986, Israfil has headed the privatization program for various state-owned corporations. Israfil is also the Deputy Chairman of the Public Partnership Fund.

[Question] Mr Cengiz Israfil, you are a truly interesting man both as a person and because of your work. You have an uncommon personality and you are performing an interesting work in Turkey. In fact, physically you look more American than Turkish. Your work on "privatization" is quite suitable for an American. I will ask you about these matters later on. First let us talk about your family. Are you Turkish? Are your father, mother, wife and children Turkish?

[Answer] My father is Turkish. He emigrated to Poland from Azerbaijan. My mother is Polish. My wife is American. My children are Turkish.

[Question] Are you a citizen of Turkey or the United States?

[Answer] I am a Turkish citizen.

[Question] Are you not an American citizen?

[Answer] We became that, too.

[Question] In other words, you have dual nationality. You are both Turkish and American. Did you do your military service here?

[Answer] Yes, I did it for a brief period last year.

[Question] Good. Mr Israfil, you lived in the United States for almost all of your life until you were 43. There, you worked as a banker and were an officer of the Morgan Guaranty Bank. We will refer to this corporation again in the course of our conversation, and I will call it briefly as "Morgan." How did Prime Minister Ozal discover you and how did you come here?

[Answer] In the United States, I am known in banking circles and stock markets. My name appeared in papers frequently. I believe that that is how I became known in Turkey. Let me tell you about the day I met Mr Ozal. When he visited the United States in April 1985, a reception was given in his honor. Before the reception they had a cocktail party which was attended only by prominent personalities. There, I had the honor of introducing myself to our Prime Minister and shaking his hand. That is where we met, and our conversation was very brief. In that encounter, he gave me the impression that he knew my name prior to our meeting.

Because when I introduced myself, he said: "Oh!" Previously, I had met Mr Yusuf Bozkurt Ozal. He probably heard my name from Mr Yusuf Ozal. I had had a half-hour meeting with Mr Yusuf Ozal in the Central Bank.

[Question] Which Central Bank? The Turkish or the American?

[Answer] Our Central Bank, sir. In other words, the Prime Minister apparently had heard my name before we met. I met him a second time a year later. At that time, the Morgan Guaranty Bank for whom I worked had already begun preparing the master plan for the privatization program. I had come to Turkey as a Morgan Guaranty officer assigned to this project. We had a long meeting with Mr Ozal. When I told him my thoughts about Turkey, he asked me: "How can we benefit from you?" I told him that I would be at his disposal at any time. He said: "Then come and work for us." That is how I came here.

[Question] Mr Israfil, this raises a very important question. You left behind such large incomes in the United States and came to Turkey. The Prime Minister's adviser, Gunes Taner, is also in the same situation. He, too, left large sums of money behind and became Ozal's adviser. Now, a question comes to my mind. Either you are very patriotic men who have dedicated their lives to their homeland, or there are some other motives in this matter. That is, there are interests about which we do not know. If we assume that you are very patriotic people, where were you until this time? Some of you worked in the United States, others worked in the private sector. How come all of a sudden you decided to work for Turkey? In other words, are there any other motives and tricks in this matter?

[Answer] What kind of motives could there be?

[Question] I do not know. I have no evidence. In any event, it is impossible to prove such things. My question is: Why would a man forgo such large sums of money, completely change his way of life and enter government service after all this time? In other words, what caused this move? The Prime Minister's invitation?

[Answer] No, that is not it. I was already convinced that as a Turk who had built a reputation in this area I could be useful to Turkey. I came to Turkey before. For example, I came as a World Bank consultant. In other words, I was always prepared to help Turkey as much as I could. However, this time I came because of a historic opportunity. I believe that we are at a turning point, and such an opportunity comes only once in one's life. I am a fortunate man. I see my one or two years of service here as a form of military service.

[Question] Are you referring to this privatization program?

[Answer] The privatization program, the establishment of a stock market—in other words, Turkey is truly at a historic turning point at this time. At the moment, other individuals do not have my experience in this area. That being the case, one could not turn down the Prime Minister's invitation. But if we take the long-term view, I am not going to work on this project all my life. In the future, I will probably earn more money in the United States because I will have gained greater experience.

[Question] Now you are entrusted with the task of building a new system in Turkey. You will privatize all public corporations. In your private life, you sometimes lost even in matters in which you are most experienced. What will happen if Turkey loses with this new system of yours? Sir, you are an interesting man. We do not meet many people who are as interesting as you are. I have been watching your speech, way of thinking and personality. In truth, you are more like an American. You probably think like an American, is that not right? In other words, you are more American than Turkish.

[Answer] Well, that is your opinion. The Americans know me as a Turk. They always complained that I "think like a Turk."

[Question] I understand, sir. Now let us turn to the privatization issue. You are going to sell all state-owned corporations to the private sector, holding companies and the people; you have been named the top man to do that. You will sell everything owned by the state to the private sector one by one.

[Answer] Now, just one moment, Mr Colasan. Let us not call it "selling to the private sector and the holding companies." We will sell them to the people. The private sector is also part of the people. I believe that Turkey will benefit from privatization enormously. Let me give you an example. Half of the cement production capacity in Turkey is owned by the state and the remaining half is owned by the private sector. But the state accounts for only one-third of the actual production, while private sector produces the remaining two-thirds. This means that the private sector is more productive than the state.

[Question] Now this privatization project began very slowly, and the Morgan Guaranty Bank for which you worked in the United States prepared the master plan for the project, is that not correct?

[Answer] Yes.

[Question] How many million dollars did they charge Turkey to prepare this plan?

[Answer] They did not charge anything near a million dollars. They were paid either \$350,000 or \$370,000.

[Question] So they did it for very little money. How can that be?

[Answer] Yes, they did it for very little money, and they lost money on this project.

[Question] How can that be? A private corporation established for profit comes to Turkey and works for a loss. That means that they see advantages for themselves in the future. Is that what it is?

[Answer] There are many reasons they did this work for very little money. First, there is the prestige factor. When they do such work, perhaps they will earn money for similar work in other countries. One should not think that they did it for our benefit. Another motivation may be that the bank may think it would be advertising itself in Turkey by doing this work.

[Question] In other words, you are saying that they are dangling this as a bait before us. Is that what it is?

[Answer] No, they are not using it as bait. They are learning about this process. In other words, they are doing the work and also learning something about it. In the future they may use this knowledge to their advantage. They are gaining experience.

[Question] Mr Israfil, this privatization project will change Turkey's entire economic system. Your American company prepared the master plan for the project. Has your Morgan Guaranty Bank done similar work previously? Did it work on privatization projects in other countries prior to coming to Turkey? Or are they trying it for the first time in Turkey?

[Answer] Of course they have done some work but not specifically in that area. In other words, they have done such work as consultants to governments.

[Question] Sir, what I am asking is this: Did these people do any privatization work in any other country before coming here?

[Answer] They had some experience. I cannot remember now. But they did not have experience with this scope.

[Question] In other words, are they doing this for the first time in Turkey?

[Answer] Yes, they are doing it for the first time in Turkey. I believe that they did not do such systematic work in any other country before coming here.

[Question] As a Turkish citizen, I cannot believe what I am hearing. This means that your firm is learning this business for the first time in Turkey. It is using our country as a guinea pig in a matter which is of such great importance to us. Moreover, your firm named you to head this program in Turkey. Now you are running this program in Turkey. Is that correct?

[Answer] They are my former company. I have resigned from that company and have no links with them. Please make sure you write that.

[Question] Of course I will write that. But you have been named to head the privatization plan they prepared. Are they not appointing their own man, even if he is a former employee?

[Answer] No, there is no such thing. Please write that correctly.

[Question] We will write it correctly. You just tell us.

[Answer] This is a general plan. It does not go into the details of the process. In fact, it cannot go into the details. Perhaps they think that when we begin dealing with the details of this process in the future we will ask for their consulting services. But with my appointment to this position their chances of obtaining such work have diminished to nothing.

[Question] Why?

[Answer] Because what would you say if I hired them for such work? In any event, they would not want it. Morgan Guaranty is a bank which is very particular about maintaining its reputation and prestige. Although we invited them to submit bids, they did not bid.

[Question] Are you saying that your former firm will no longer do any business in Turkey? Should I write that as a direct quote from you?

[Answer] No. Why would they stop doing business in Turkey? Their business here did not end, but with my appointment their chances of obtaining contracts in the initial phase were diminished, and in that sense they lost. In fact, they did want me to come here.

[Question] Now, Mr Israfil: Your former company, Morgan Guaranty, prepared a general master plan for privatization in Turkey. You say that they did that for a low price. But that is not the end of the matter for Turkey. You have contracted the consulting work for every state-owned corporation to be privatized to foreign firms paying them large sums in foreign currency. Can Turks not do this work? Why are you awarding the work only to foreigners?

[Answer] Sir, we cannot do that work, because we do not have the experience. Even if we could, it would take too long. In any case, in order to avoid paying too much money to foreigners we are requiring them to do this work in partnership with a Turkish firm. There was only one exception to this rule. But the rest have all formed partnerships with Turkish firms. When Turkish firms gain enough experience in the future, then they can do this work on their own.

[Question] Here, let me remind our readers of something. You have hired a foreign firm for every state-owned corporation that will be privatized. You have hired a foreign consulting firm for every state-owned corporation such as PETKIM [Petrochemical Corporation], Sumerbank and Turban. How much money are you paying them? How much of this country's foreign exchange reserves are being paid to these foreign firms? For example, how much did you agree to pay for the privatization of Sumerbank? How many dollars?

[Answer] At this time, we are not disclosing those figures.

[Question] So far you paid these foreign firms for the privatization of five state-owned cement factories and seven other corporations and you privatized them. How much money did you pay those firms?

[Answer] I cannot disclose those figures.

[Question] Why not?

[Answer] Sir, we try to cut these fees as much as possible through competition. We do not intend to disclose them at this time. If we keep them secret, competition gets keener and the fees are reduced.

[Question] Yes, but if you keep those figures secret competition will be reduced. This country may end up spending millions of dollars for this project.

[Answer] How much did you say will be spent?

[Question] I said millions of dollars.

[Answer] That may be so.

[Question] Then why do you not disclose the money you have paid and will pay? Is it not my right, as a Turkish citizen, to know this?

[Answer] Sir, if I disclose the amounts at this time, all those people will bid that same price. Our goal is to cut prices. Because this is very prestigious work.

[Question] For whom is it prestigious? For us?

[Answer] No, it is prestigious for the people who want to do this work. Competition is growing keener. Of course, their chances are diminished after these projects are awarded. Let them come here and bid as low as possible to win the contracts. If we disclose how much we paid for the previous contracts, they will all bid the same amount. That way we would lose our bargaining power.

[Question] Sir, do not tell these things to me. Here, I want to ask you something else. You award the consulting work to privatize a given state economic enterprise to some foreign firm. A large sum in foreign currency is paid to that foreign firm. Are you the one who makes the decision on this issue?

[Answer] I do not decide on my own. We have a bidding review commission. Officials of the Public Partnership Fund serve on that commission.

[Question] You said earlier that "Turks cannot do this privatization work because they do not know how; we have to contract the work to the foreigners." How can you evaluate bids on work about which you do not know? How can the Turks who do not know this business decide whether the contract is going to the best bidder? In other words, how can we evaluate bids for work about which we do not know?

[Answer] I think that when we receive a report we have the capability to understand who writes better reports.

[Question] You refuse to disclose how much money you have paid to these firms individually. You could at least tell us how much you paid them in total.

[Answer] I cannot disclose that either. But you should have no doubts about these bids.

[Question] Mr Israfil, we have been talking in your office for a long time. Around here, we have custom; we offer something to our guests. It would be nice if you could order some tea. (Tea is ordered). Thank you very much. Sir, I want to ask you something else. Although you came to Turkey from the United States very recently, why are some things done so secretively in Turkey? In particular, why are such monetary matters concealed from our people? What is the purpose of such an attitude?

[Answer] (A lengthy pause) In general, I do not like talking in public. Why are these things done in secret? I told you why my work is done in secret. I do not know about the others. In other words, I do not think that these foreign firms profit from the work we give them.

[Question] If they do not make any profit, why do they come here? Why do they take our work? Are they doing it for philanthropic purposes? Are they taking our work for no profit because they like us so much? What is their gain? Please tell us about that.

[Answer] They recover their expenses. Now Turkey is a model. This privatization program will be implemented across the globe in the future. In fact, we will begin exporting this privatization process. We will export the skills we learn here.

[Question] Who will you export it to?

[Answer] For example, I believe that we will export it to Tunisia soon. I expect that some of the Turkish banks doing consulting work for us will soon reach an agreement with them.

[Question] Which banks?

[Answer] I cannot disclose their names.

[Question] Is that also secret?

[Answer] No, but I do not wish to poke my nose in other people's business. A meeting was held in Tunisia on this issue. They expressed interest in the privatization program here and asked me for assistance. I told them who was consulting for us. They will probably work with them.

[Question] Where else will you export this process?

[Answer] There has been interest from several countries. There are North African countries, there are Middle Eastern countries.

[Question] I hope this does not turn into a fictitious export, too. Mr Israfil, at this time there is nothing substantive on this issue in Turkey. In other words, so far there is nothing to indicate your success. Then why do some countries ask for help from you?

[Answer] Sir, that is your opinion. The view from the outside is very different. Overseas they believe that our work is very successful.

[Question] Which countries think so?

[Answer] All European countries think so. All foreign banks know that we are carrying out very systematic work on this privatization issue.

[Question] That is strange. The entire world knows, yet we, the Turkish citizens, know nothing about it. That is very strange.

[Answer] You, too, know sir. You asked all these questions on your own. You know that expenditures are being made.

[Question] We only know that expenditures are being made; we do not know about the rest. Is every country implementing privatization also making these expenditures? Are they also employing such foreign consultants?

[Answer] Sir, such work has not been carried out in other countries. Several privatization decisions were made without making these expenditures. We are working on this matter in a very systematic manner. We are trying to minimize the likelihood of error.

[Question] Most recently you incorporated Petkim and Sumerbank in the Public Partnership Fund. Soon you will turn these two state-owned corporations into private companies. Meanwhile, the Public Partnership Fund has run out of money, is that not right? The money ran out because very large sums were spent for election purposes during the election campaign, is that not right? You are the deputy chairman of this fund. Please tell me the truth.

[Answer] At this time I have nothing to do with monetary affairs regarding that matter, because I have no time. But as you know we are currently selling Karakaya [Dam] bonds worth 100 billion Turkish lira. I do not think that that money has been depleted. In other words, it is impossible that the money has run out.

[Question] So far which state-owned corporations have been decided to be privatized?

[Answer] Five cement factories, Turban, USAS, Bogazici Air Service and Cargo, NETAS [Northern Electric Telecommunications Corporation], TELETAAS and 32 other partnerships.

[Question] What is your long-term plan? That is, what will you make out of Turkey? Are you going to privatize all state-owned enterprises and sell them to the private sector, holding companies and individuals? In other words, is this country going to be without any state-owned enterprises?

[Answer] In certain essential areas some state-owned enterprises may remain in government hands. But there is no sense in keeping most of the state economic enterprises in the government's hands. As a technician I would prefer that they all be sold.

[Question] When will you finish this process? When will the Motherland Party government finally divest the state of all its corporations? Do you have such a timetable?

[Answer] We cannot disclose that timetable either.

[Question] So that, too, is secret. Whatever I ask, the answer turns out to be "secret." I find this very hard to understand.

[Answer] The shares of these corporations will be sold on the stock market. Such a disclosure must be properly timed. If I say something now and then I change my mind, nobody will believe what I say again.

[Question] Is there a timetable in your mind?

[Answer] Of course there is. How can there not be?

[Question] Tell us at least some things so that we can know.

[Answer] We will set privatization on a sound foundation by initially selling some solid corporations to set an example. Then we will continue our sales depending on the capacity of the stock market.

[Question] So far decisions have been made to sell two large state economic enterprises, namely Petkim and Sumerbank, is that right?

[Answer] That is correct.

[Question] Is it possible that you could name an American managing director to head these corporations?

[Answer] We never thought of such a nonsensical idea.

[Question] Why not? Are these not private corporations now? You may find a very competent American—or Spaniard for that matter—and name him to head the company. Is this not legally possible?

[Answer] Frankly, we have not thought about that. I do not know whether that is possible or not. But we do not have such an intention. Why would we name a foreigner to head these companies?

[Question] These days everything in Turkey is done by foreigners or in accordance with foreigners' wishes. I would not be surprised if this, too, was done. Let me ask you something. Are there any government agencies which you are not planning to privatize?

[Answer] Yes. The Treasury for example.

[Question] Very good. Could the Central Bank be privatized some day?

[Answer] It could. Its capital could be privatized, but the state must retain its decision-making mechanism.

[Question] Are there any agencies for which you would say "these must stay in government hands"?

[Answer] Yes, the army can stay in government hands.

[Question] You are saying that the army can stay in the government's possession. Thank you very much Mr Israfil.

[Answer] The police could also remain in government hands. (At this point I can no longer restrain myself and burst into laughter. My colleague sitting next to me, Cetin Cetiner, is a very polite person. He does not laugh but begins coughing.)

[Question] So, Mr Israfil, we let the government retain the police. What else?

[Answer] As a technician, I would not want the government to retain any agency which is engaged in trade and production. I see no reason for that. But if each agency is examined individually—for example, a strategic mineral such as borax may remain in government hands.

[Question] Mr Israfil, you are a man with very interesting views and you occupy a very senior position in the government. Do you ever have disagreements with Turgut Ozal on such issues or do you always agree on everything?

[Answer] I have a dual relationship with the Prime Minister. First, I serve as his adviser; I express my views and present him the available options. Second, when Mr Ozal makes his decisions I implement them as a practitioner.

[Question] Yes, but when you propose these interesting ideas of yours to him, does Ozal ever tell you "No that is too much; they would not tolerate that in Turkey"?

[Answer] He does not speak that way. I have very deep respect for his experience. If I make mistakes on certain matters, he points them out.

[Question] But, in general, do you share the same views with him?

[Answer] If we did not, I would not have come here from the United States. That is impossible. In fact, when Mr Ozal invited me to Turkey I weighed the offer in my mind for a long time. I was taking a big financial risk. Moreover, I did not know Mr Ozal very well. You personally played a very big role in my decision to come to Turkey?

[Question] I had a role? I do not understand. How did that happen?

[Answer] Yes, you, Emin Colasan, played a big role.

[Question] Mr Israfil, there must be a mistake. What could my role be?

[Answer] At that time, I read your books and gained information—perhaps true perhaps false—about Turgut Ozal. I do not know whether what you have written is true or false. But the impression of Turgut Ozal I got from your books enhanced my faith and confidence in the Prime Minister. I can say that I decided to come to Turkey because of some sentences you quoted from him.

[Question] Sir, I am very happy that I have played a role in attracting a respected person like you to Turkey. Let me ask you this: The Turkish Republic has a tradition of etatism. Are your views shared at every level of the Turkish government, or are there officials who oppose you and your views?

[Answer] How can everyone think the same way? We are all different people. No two people can think in the same way.

[Question] We are coming to the end of our conversation. As far as I understand, the Motherland Party government will privatize all state-owned corporations. The ownership of these corporations will eventually pass to the private sector and holding companies. And you are running this project. Could this privatization project be an American conspiracy in Turkey? Could it be that you came from the United States for this purpose and were appointed to head this project?

[Answer] That is totally untrue. For one thing, this program originated from Britain, not the United States. The British have implemented this program because it is in the interests of their country. Britain developed the philosophy of this program. Moreover, as you know, when Sumerbank was first established in 1933 Ataturk believed that all the shares of that corporation should be transferred to the people when the time came.

[Question] Are you saying that that time has come?

[Answer] Yes, we are saying that the time to do that has arrived.

[Question] You are thus being an Ataturkist, is that not correct? This way you are implementing one of Ataturk's commandments.

[Answer] We are no doubt being Ataturkists. That is how I view this matter. We are acting fully in accordance with Ataturk's principles.

[Question] Ataturk also had a principle called "etatism," but no matter—let us not go into those issues. So, are you saying that there is no American conspiracy or anything like that in this privatization affair?

[Answer] Absolutely not. I already said that there is no American conspiracy. What kind of American conspiracy did you have in mind?

[Question] Such as making the Turkish economy more like the American economy. Did not organizations such as the IMF and the World Bank want us to do that for many years?

[Answer] I do not see this as an American conspiracy. Such a situation absolutely does not exist. But everybody believes that this privatization program will benefit Turkey. Everybody supports it.

[Question] Who is supporting it?

[Answer] The American government supports it, and American banks support it. But calling it an American conspiracy is something else.

[Question] The IMF and the World Bank also back what you are doing, is that not correct?

[Answer] Yes, they also want it.

[Question] Mr Israfil, this conversation with you was very informative for me. I learned many things. I thank you very much.

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TURKEY

Labor Fears Oppression With Privatization

35540024a Istanbul *MILLIYET* in Turkish
8 Nov 87 pp 3, 10

[Article by Nihal Alp: "Turkish-Labor Union in Trouble: Reactions to Privatization Intensify"]

[Text] It is claimed that the government has dug the grave of the labor movement—most prominently, that of the Turkish-Labor union—by instituting privatization and contract personnel at State Economic Enterprises [SEEs].

The office of the prime minister, whose work is now being continued in the Ministry of Housing Development and Public Corporations, commenced the process of privatization with Sumerbank and Petkim. The government decision relating to the privatization of these corporate bodies was published recently.

Included in this plan of action, which the government intends to apply to all public economic institutions, is the hiring as "contract personnel" of the workers and civil servants who are now employed in these institutions. The practice of employing contract personnel in SEEs, as set forth in Government Decision no. 233, will go beyond the provisions of this decree and become common procedure.

According to Government Decision no. 233, high salaries were expected to prevent the flight to the private sector of employees with "highly marketable skills." At present, however, ordinary employees of public corporations are also being included as contract personnel, starting with the Post, Telegraph and Telephone Office, Turkish State Maritime Lines and Turkish Airlines.

In taking on the status of contract personnel, those who work in the public sector whether as workers or as civil servants are being deprived of job security. Upon the expiration of the one-year contracts being drawn up for these personnel, employees may not demand seniority compensation or several other of their current rights. Moreover, they may not become "labor union members."

As for privatization, which will come into effect with this measure, it is envisioned that all employees of these institutions will become contract personnel. In the first phase, which, according to the plan, is expected to begin with civil servants, only top-level bureaucrats at SEEs will be employed under the terms of Government Office Workers Law no. 657. The remaining personnel will be under contract and newly hired staff will also be started under this status.

Reaction From Turkish-Labor Union

At the conclusion of this programmed action begun by the government, the numbers of Turkish-Labor union members who work in state-owned corporations will be reduced from 800,000 to zero. Union leaders are describing this action as "the digging of the labor movement's grave."

Orhan Balaban, the Organizing Secretary of Turkish-Labor Union, in reference to privatization and the employment of contract personnel, stated that "The aim is to force the collapse of the labor movement. From this perspective, it is a dangerous initiative. It is undemocratic."

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Imam Schools Blamed for Inroads on Ataturk Reforms

35540024b Istanbul *CUMHURIYET* in Turkish
9 Nov 87 p 2

[Editorial by Prof. Dr. M. Asim Ozkan: "Let's Approach Tomorrow's 'November 10th' in Its True Spirit"]

[Text] Every year the 10th of November, the anniversary of the day the Turkish nation lost its greatest individual—one who was, undoubtedly, a "genius" in his capacity as a soldier, a revolutionary and a statesman—comes and goes. Tomorrow it is once again the 10th of November, when the same insincerities will yet again be on display. On every anniversary a great many eminent personalities who have really never understood him [Kemal Ataturk] or who consciously pretend not to understand him feel the obligation of appearing at the appointed ceremonies "for the sake of propriety," a situation that has provoked the response of "I am not a Kemalist" from Mr. Nadir Nadi.

Leaving aside the impossibility of their obtaining positive impressions of Ataturk's genius and of his accomplishments and of the actions he would have undertaken had he lived, our children and young people who witness such insincerity on the part of their elders at these ceremonies have become bored with the repetition of almost the same things every year.

Would it not be more sincere and of greater benefit if these eminent personages—who have committed countless acts, so absurd as to make Ataturk turn over in his grave, who defend the teaching of a compulsory class in religion in the schools of the secular Republic of Turkey, who regard the killing of someone who does not keep the fast during the month of Ramazan as a simple police incident and who (though they regard as inadequate the number of "colleges, or high schools using a foreign language of instruction" for the education and instruction of their own children and, thus, send them abroad) open on every street corner an "imam-hatip, or Islamic

religious-training school" for the children of our ordinary citizens, the great majority of whom are in poverty—left off appearing to commemorate Ataturk in front of our children and young people at the ceremonies for the 10th of November and, instead, revealed what things they had done and what had happened in our country since the previous 10th of November and the ways in which these things were related to Ataturk?

For example, would it not be possible for them to tell us:

—How many more have been added to the number of religious-training schools which were established on the pretext of training "enlightened imams!" and, shortly thereafter, were counted as equivalent to high schools, so that they educated students for the universities, and which were enriched by instituting co-educational instruction, and how many more "neighborhood schools," several of which sprang up in every city quarter under the name of "School for Quran Study;" and how they were brought into agreement with Ataturk's Law of Unification of Instruction;

—The reasons that compelled them to eliminate the institutions that Ataturk had founded with his own hands and to destroy his sacred bequest as well as the works created in this mold by proponents of the "Turk-Islam" synthesis who had undertaken the responsibility of interpreting him; and the ingenuity that these eminent figures showed in reconciling "Turkishness"—which implies "ethnicity"—with the "Islamic world-community" and the rewards that they bestowed for this cleverness of theirs;

—What is the meaning of their lending moral support by asserting that "our government is truly powerful" and that no mercy will be shown to the bandit, the intriguer and the anarchist, and, at the same time, charging that the resources of our government are inadequate to meet the costs of our national defense and public education;

—Why self-sacrifice has been borne in conducting campaigns, whenever necessary, into every corner of the country to collect "donations" from "patriotic citizens" to support various pious foundations and the building of schools, and why, after these self-sacrifices were made, the total amount of these collected donations will be able to cover the costs of purchasing several "official airplanes;"

—What is the nature of the effects on the self-respect of these people, of these very young infants and our children taking their first steps toward adolescence who have studied at a school that came into being through the "benevolence" of such-and-such a person, rather than at a public school and what kind of indelible impressions this has provided them, at such a tender age, of the lofty position of our government;

—In brief, how, though our government is sufficiently powerful to create a citizenry and institutions on a scale adequate to be of assistance, they will reconcile a conception of government that considers it natural to be unable to fulfill two fundamental obligations like national defense and public education with Ataturk's conception of government;

—Why they find deficient the "scientific" method Ataturk recommended for enlightening our citizens and how the truths have been disclosed to them through Quran verses and traditions and legends of the Prophet Muhammad.

—How many more have been added to the numbers of those who have been dragged through the courts for "unclean!" thoughts, of those who are rotting in prisons, of those who have been stripped of their citizenship as well as of those who have lost it and become expatriates;

—The consequences of the establishment of a principle of "mutual dependence," which the citizenry—ever dependent—already felt, in place of Ataturk's principle of "complete independence;"

—What was added to the self-respect of the people by the acceptance at every level, as if nothing had occurred, of the prime minister of a neighboring country who—like an ant on a mountain who holds the mountain in contempt—openly violated international diplomatic protocol in order to belittle Ataturk and, in like manner, to what extent their justice and rights have been protected;

—The careful calculation by which this nation—newly freed from the Ottoman debt as a result of much hardship and acting on the assumption that "indebtedness whips a young blood into action"—drove itself hard, straight into a slough of foreign debt, now grown to nearly 40 billion dollars.

—What kind of pride and honor our people should feel because our creditors grudgingly agreed to renew our loans, so that we would be able to pay the installments on our debt;

Ataturk and His Piety

—The putting up for sale of the government corporate bodies in the economic field, most of which were Ataturk's creation, for the purpose, it was claimed, of transferring ownership to the public, and how the people, oppressed by unemployment and poverty, could or would be able to buy them; etc.?

In this way, they would be able to provide an important benefit by filling in the gaps in the incomplete knowledge that our children and young people who, through school or their own efforts, have obtained a rough idea of what are Ataturk and Kemalism.

The late F. Rifki Atay once stated that, "Ataturk resembles a great mountain—his magnificence cannot be comprehended at close range; it can only become apparent as one moves farther and farther away." Though, no matter where we look, we realize more and more with every passing 10th of November how apt is his comparison, nonetheless. I cannot help but present one example of how we have moved away from him over these last nearly fifty years:

Consider our "religious" institution, which he had removed from our arena of problems: As if we lacked issues to grapple with and despite all his warnings and moral principles, for the sake of a cheap chase after votes, we turned this institution into our number one issue. The suggestion that Ataturk was an atheist, one among the many unfounded statements that have been whispered into the ears of our children for years in the thousands of "neighborhood schools" and in the hundreds of "imam schools," was so disturbing to our esteemed President that he tried to prove that Ataturk was devout. Prior to the widespread appearance of these schools, however, the piety of Ataturk was devout. Prior to the widespread appearance of these schools, however, the piety of Ataturk was not a subject of popular curiosity. Because our people became wise through living or learned from what they experienced, they knew without falling into idle speculation that if the War for Independence, whose every phase was shaped by the genius of Ataturk, had not been undertaken or if it had not met with success, right off, our mosques would have been burnt and destroyed and most of them would have been turned into churches. Just as, during the Occupation, a

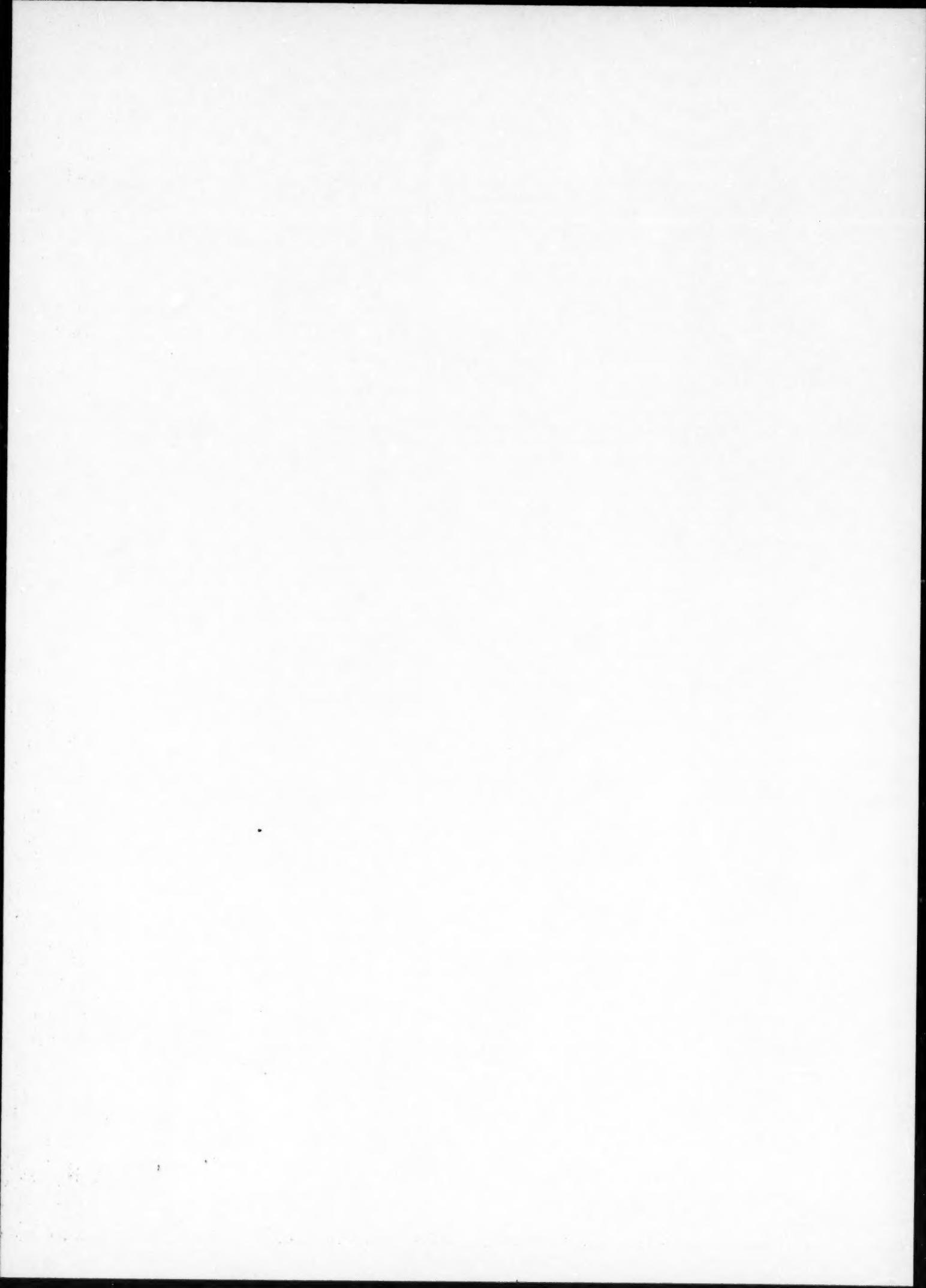
great many of the mosques in our district were set on fire while crowded with Muslims.

Acknowledging this undeniable truth, our esteemed President could have said, "It is inappropriate for us to speak about the religious beliefs of Ataturk, who constituted the greatest factor in preventing the occurrence of such a terrible end." Instead, his attempt to prove that Ataturk read the Quran or that he had the Quran read is, in my opinion, irrelevant; for the Shari'a reactionaries, who are the chief instigators, claim that, as a head of state, Ataturk was an atheist "because he did not administer the government according to the laws of the Shari'a." When this becomes their measuring stick of piety, it is meaningless and even impossible to demonstrate to them that Ataturk was devout. In any case, as we indicated above, if this affair had not been abandoned to the authority of those who long for the Shari'a system, the question would have never even crossed the minds of the people.

Conclusion

Naturally, the issue is not the problem of Ataturk's religion. The issue is the destruction of the "secular government," whose structure is steadily being dismantled, stone-by-stone, before our eyes. It is quite clear that this destruction began with the religious-training schools that we opened—perhaps with good intentions—so as to train "enlightened imams!" but how and where it will end is at present unknown.

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